



JAGAT GURU NANAK DEV PUNJAB STATE OPEN UNIVERSITY, PATIALA

(Established by Act No. 19 of 2019 of the Legislature of State of Punjab)

The Motto of the University
(SEWA)

SKILL ENHANCEMENT

EMPLOYABILITY

WISDOM

ACCESSIBILITY



CERTIFICATE COURSE IN COMPUTER AIDED ACCOUNTING

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**JAGAT GURU NANAK DEV
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PREFACE

Jagat Guru Nanak Dev Punjab State Open University, Patiala, established in December 2019 by Act 19 of the Legislature of State of Punjab, is the first and only Open University of the State, entrusted with the responsibility of making higher education accessible to all especially to those sections of society who do not have the means, time or opportunity to pursue regular education.

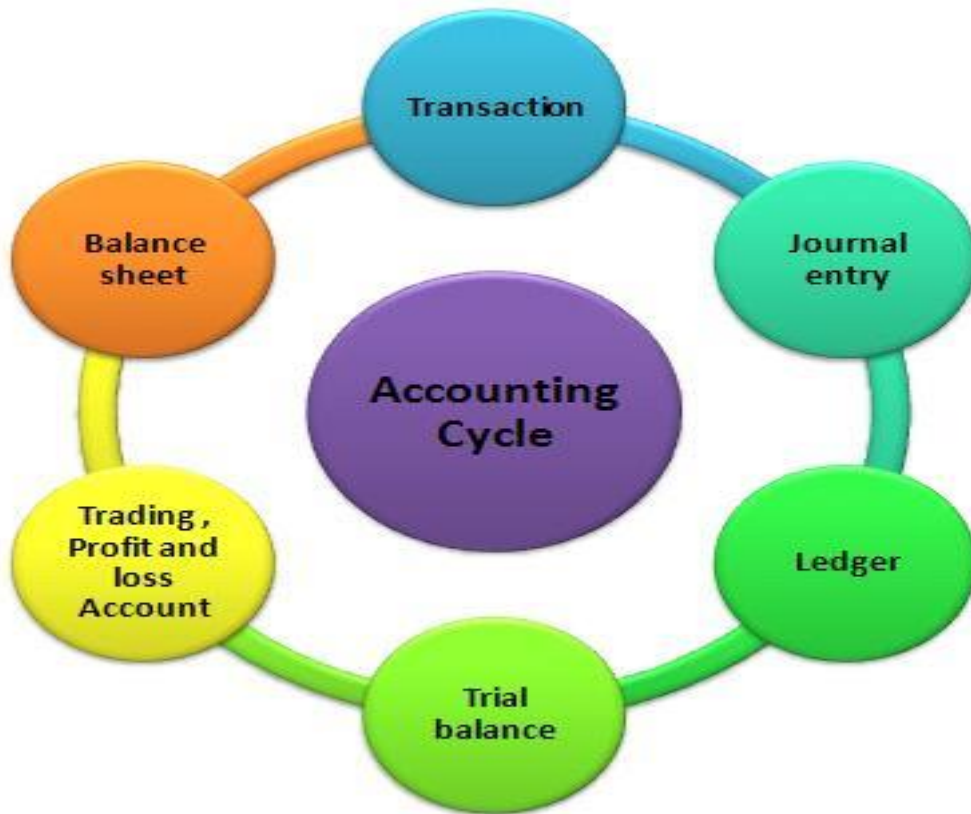
In keeping with the nature of an Open University, this University provides a flexible education system to suit every need. The time given to complete a programme is double the duration of a regular mode programme. Well-designed study material has been prepared in consultation with experts in their respective fields.

The University offers programmes which have been designed to provide relevant, skill-based and employability-enhancing education. The study material provided in this booklet is self-instructional, with self-assessment exercises, and recommendations for further readings. The syllabus has been divided in sections, and provided as units for simplification.

The Learner Support Centres/Study Centres are located in the Government and Government aided colleges of Punjab, to enable students to make use of reading facilities, and for curriculum-based counselling and practicals. We, at the University, welcome you to be a part of this institution of knowledge.

Prof. G. S. Batra,
Dean Academic Affairs

CERTIFICATE COURSE IN COMPUTER AIDED ACCOUNTING



APPLICATIONS OF TALLY IN ACCOUNTING

COURSE II - APPLICATIONS OF TALLY IN ACCOUNTING

Learning Objectives: The course aims to achieve following objectives-

1. Analyse and resolve security issues in networks and computer systems to secure an IT infrastructure.
2. Design, develop, test and evaluate secure software.
3. Develop policies and procedures to manage enterprise security risks.
4. Evaluate and communicate the human role in security systems with an emphasis on ethics, social engineering vulnerabilities and training.
5. Interpret and forensically investigate security incident.

Course Content:

Unit I – Introduction:

Tally Origin-General features, Accounting Features, Inventory features, Starting tally, Startup screen component, processing icons, Multilingual feature of tally – Quit tally.

Unit II – Accounting in Tally– , Create Company ,Alter & Display Groups and Ledgers., All Accounting Voucher Types, Accounting and Voucher transaction, Account Invoice transaction Create, Alter & Delete Budgets for groups, ledgers & Cost center, Defining credit limit & credit period, Display Budgets and variances, create alter and delete a scenario Journals transaction payment voucher go down summary

Unit III – Taxation in Tally and GST– (a) GST, Purchase vouchers, with GST, sales voucher with GST, GST returns and payments

(b) Party Ledger analysis. MIS – Purchase, Sales, Stock analysis and reports. cash and bank reports. Search, filter and sorting. Financial Reports, Multiple Languages, Export-import back-up and restore, TDS, TCS. Printing Reports.

Unit IV - . Voucher Entry in Tally ERP-9

Accounting Vouchers, inventory vouchers. Invoicing. Pay-roll accounting. Advanced Applications of Tally ERP-9

(a) Bill-wise details, cost centres, cost categories, voucher class and cost centre class, Bank reconciliation, Multiple currencies, interest calculations, Budgeting and Budgetary control, scenario analysis and optional vouchers.

(b) Advanced inventory control and Management

Unit V – Data Security and Audit– (a) Data Security. Short-cuts keys, Data synchronization, Finalization entries
(b) Tally Audit – Types of Audits, How to draft reports.

References:

1. Fundamental of computer - P.K.Sinha
2. Internet Web Technology E- Commerce - Nitin K Naik Kamal Prakashan
3. Makhan laql chaturwedi vishavvidhyalaya- Maruti “Prakashan.

UNIT- 1 INTRODUCTION

STRUCTURE

- 1.0 Objectives
- 1.1 Introduction
- 1.2 General features
- 1.3 Accounting Features
- 1.4 Inventory features
- 1.5 Starting tally
- 1.6 Start-up screen component
- 1.7 Processing icons
- 1.8 Multilingual feature of tally
- 1.9 Quit tally
- 1.10 Unit End Questions
- 1.11 References

1.0 OBJECTIVES

After completing this Students will be able to

- Define Tally
- Understand general and accounting features of Tally
- Define inventory features
- Explain Multilingual feature of tally

1.1 INTRODUCTION

Tally.ERP 9 is the world's fastest and most powerful concurrent Multi-lingual Business Accounting and Inventory Management software. Tally.ERP 9, designed exclusively to meet the needs of small and medium businesses, is a fully integrated, affordable and highly reliable software. It is easy to buy, quick to install, and easy to learn and use. It is designed to automate and integrate all your business operations, such as sales, finance, purchasing, inventory, and manufacturing. With Tally.ERP 9, accurate, up-to-date business information is

literally at your fingertips anywhere. The powerful new features and blazing speed and power of Tally.ERP 9 combined with enhanced MIS, Multi-lingual, Data Synchronization and Remote capabilities help you simplify all your business processes easily and cost-effectively.

1.2 GENERAL FEATURES

The features of Tally are as follows:

- Tally is largely considered the best because it is easy to use, has no codes, robust and powerful, executes in real-time, operates at high speed, and has full-proof online help.
- Tally is also called multi-lingual tally software because Tally ERP 9 supports multi-languages. In Tally, accounts can be maintained in one language, and reports can be viewed in other languages.
- Using the Tally, you can create and maintain the accounts up to 99,999 companies.
- Using the feature of payroll, you can automate the employee records management.
- Tally has the synchronization feature, so the transaction which is maintained in multiple locations offices can be updated automatically.
- Tally is used to generate consolidated financial statements as per the requirements of the company.
- Tally can manage single or multiple groups.
- Tally software is used to handle financial and inventory management, invoicing, sales and purchase management, reporting, and MIS.
- The feature of Tally customization makes the software suitable for distinctive business functions.

Advantages of Tally

The advantages of Tally are as follows:

Data reliability and security: In Tally, the entered data is reliable and secure. There is no scope of entering the data, after being entered into the software.

Payroll management: Several calculations that need to be made while disbursing salary to employees. Tally is used to maintain the financial record of the company that includes net deduction, net payment, bonuses, and taxes.

Management in the banking sector: Banks use Tally to manage various user accounts, and also calculate interests on deposits. Tally support ensures ease in the calculation and makes banking simpler. **Tally Support** can make the calculation easy and banking simpler.

Regulation of data across geographical locations: Tally software is used to manage the data of an organization globally. Tally can bring together all branches of the company and makes the common calculation for it at large. So no matter which location a company's employee has access, it will be uniform throughout.

Ease of maintaining a budget: Tally is used to maintain the budget. Tally is used to help the companies to work and manage expenses by keeping in mind the total budget which is being allotted.

Simple tax returns filing: Tax GST is used to ensure that the company complies with all GST norms. Tax GST takes care of service tax returns, excise tax, VAT filing, TDS return, and profit and loss statement for all small businesses.

Audit tool for compliance: It acts as an audit tool. It is used to carry out regular audits of companies. It does a thorough compliance check towards the financial year beginning and ensures that all the monetary transactions are smoothly being carried out.

Remote Access of Data: In Tally, employees can access the financial data using the unique User ID and password. The logging and access of data can be done by sitting at the comforts of one's office or house.

Quick Access to Documents: Tally can save all invoices, receipts, bills, vouchers in its archive folder. Using the Tally, we can quickly access any of the previously stored documents. We can immediately retrieve all the billing related files.

Functional Features of Tally.ERP 9

BASIC ACCOUNTING	BASIC INVENTORY
Complete book keeping	Stock categories
Books, registers and statements of accounts	Stock query by stock group, or stock category
General ledgers	Multiple go downs
Accounts receivable and accounts payable	Stock transfers to go downs and branches

Flexible voucher numbering	Multiple stock valuation methods
Flexible classification of account heads	Batch-wise/ Lot-wise, including expiry date handling
Panoramic view	Alternate units of measure and tail units.
Drill-down display	Tracking through receipt notes/ delivery notes/ rejections inwards/ rejections outwards
Database reporting	Additional costs incurred on purchase
Voucher and cheque printing	Movement/ Profitability analysis Party- wise/ Item-wise/ Stock Group-wise
Columnar reports	Customisable sales invoices using price lists with multiple prices
Bank reconciliation	Sales and purchase order processing

ADVANCED ACCOUNTING	ADVANCED INVENTORY
Multiple companies	Stock items classified as raw materials, work-in-process, finished goods
Multi-currency	Bill of Material with auto-adjustment of stocks
Multiple financial years	Job-working concepts, including sub-contracting
Comparison of data using multi-columnar reporting.	Additional cost of manufacturing with notional value and percentage
Memo vouchers	CENVAT support
Post-dated vouchers	Reorder levels
User-defined voucher types	Stock ageing analysis
Sales and purchase extracts	Batch related stock reports

Cash flow statement	Point of Sale (POS)
Daily balances and transaction values/Interest calculations	Excise/ VAT/ Central Sales Tax (CST)/ Tax Collected at Source(TCS) related Inventory transactions and reports
Percentage-based reporting	
Ratio analysis	
Value Added Tax (VAT)	
Service Tax (ST)	
Fringe Benefit Tax (FBT)	
Tax Deducted at Source (TDS)	
Tax Collected at Source (TCS)	
Excise	
Payroll	

1.3 ACCOUNTING FEATURES

In Tally ERP 9, accounting features are one of the important categories of company features. It consists of several configurations and functionalities which are used for accounting transactions and reports. Accounting features can be opened by click on option F11: Features or by pressing function key F11.



Fig :1.1 Accounting Features

Accounting features are divided into 6 sections, which are as follows:

1. General
2. Outstanding Management
3. Cost/ Profit Centre Management
4. Invoicing
5. Budgets/ Scenarios Management
6. Other Features

How to open Accounting Features?

In Tally ERP 9, we can use one of the following methods to open accounting features:

- Path: Tally Main > Gateway of Tally > F11: Features > Accounting Features
- Function key: F1: Accounts (Press function key F1 from your keyword)

After executing the accounting features, the following screen will display:

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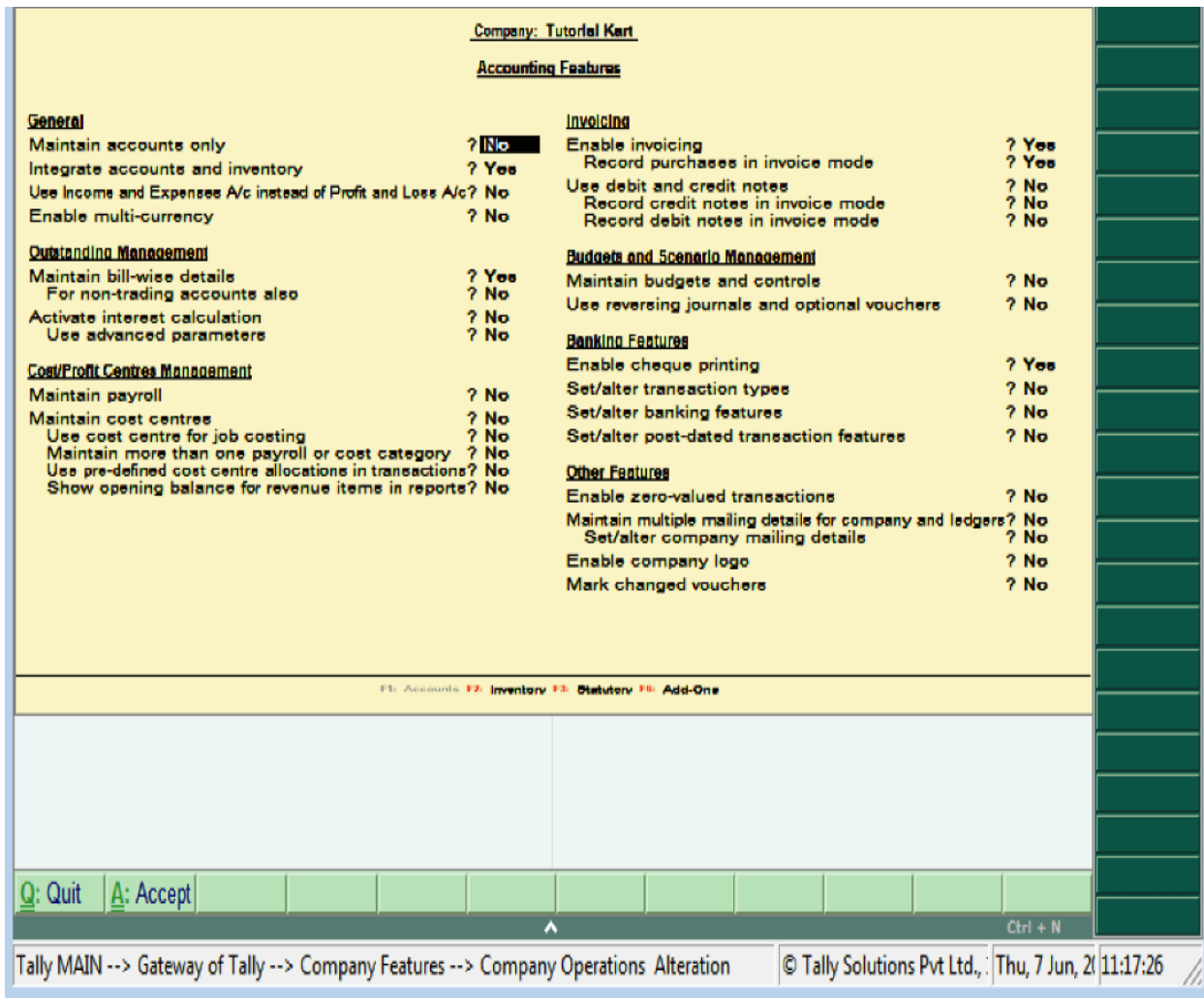


Fig :1.2 Accounting Features

Update the following details on Company Operations Alteration Screen:

General

- **Maintain Accounts Only:** If we want to maintain inventory transactions, then choose this option.
- **Integrate accounts and inventory:** If we want to include stock or inventory balances from inventory records, then choose the Yes option.
- **Use income and expense a/c instead of profit & loss a/c:** If we want to display the income and expenses accounts as a menu instead of profit & loss account, then we will choose this option.
- **Enable Multi-Currency:** If we want to work with multi-currencies, then choose this option.

Outstanding Management

- Maintain bill-wise details:

- Activate Interest calculation:

Cost/Profit centre management

- Maintain Payroll:
- Maintain cost centre:
- User cost centre of job costing:
- Use more than one cost category:
- Use predefined cost centre allocation in transactions:
- Show opening balance for revenue items in reports:

Invoicing

- Enable Invoicing:
- Record purchases in invoice mode
- Use credit and debit notes
- Record debit notes in invoice mode
- Record credit notes in invoice mode

Budgets and Scenario Management

- Maintain budgets and control
- Use optional vouchers and reversing journals

Banking

- Set/alter transaction type
- Set/alter banking type
- Enable cheque printing
- Set/alter postdates transaction features.

Other Features

- Enable company logo
- Enabled zero-valued transactions
- Maintain multiple mailing details for ledgers and company
- Mark changed vouchers

In Tally ERP 9, after enabling all the required accounting features for company, press Ctrl+E or press enter to save the configured data.

1.4 INVENTORY FEATURES

In Tally ERP 9, Inventory features consist of configurations related to inventory transactions and reports.

Inventory features are subdivided into 7 functions, which are as follows:

1. General
2. Storage and Classification
3. Order processing
4. Invoicing
5. Purchase Management
6. Sales Management
7. Other features

How to start Inventory features?

- Path: Tally Main -> Gateway of Tally -> F11: Features -> Company Features -> Inventory Features or click on F2: Inventory.

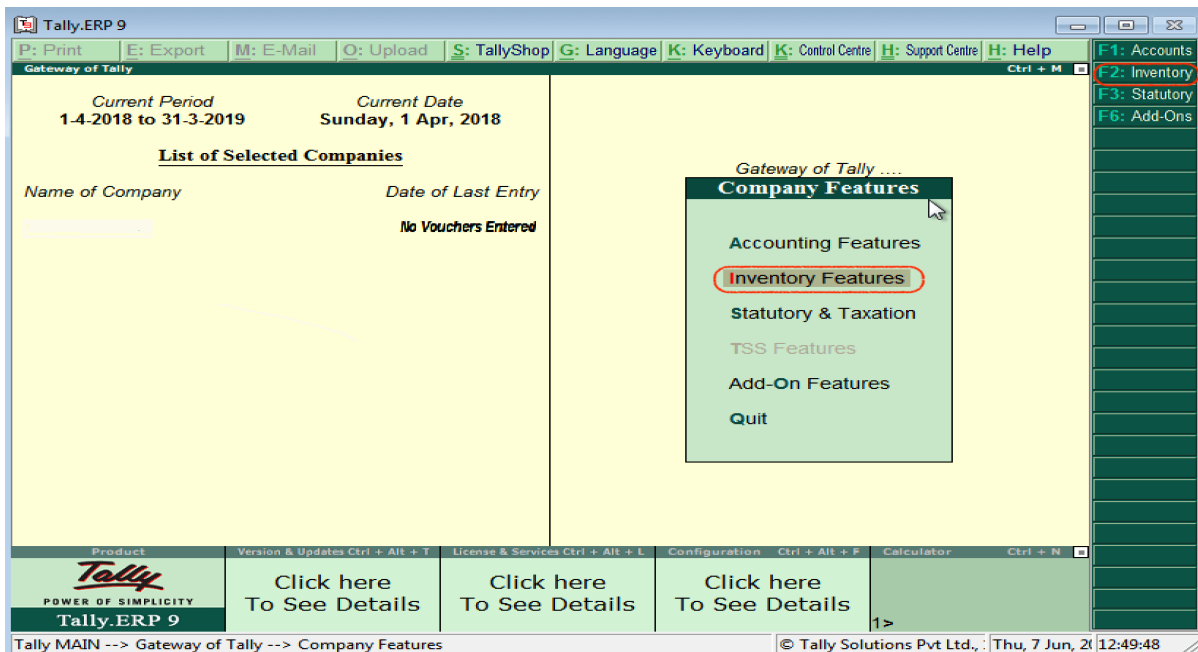


Fig :1.3 How to enable Inventory features

We can enable or disable the options for day to day business transactions using the inventory features. After executing the inventory features, the following screen will display:

Company: **Tutorial Kart**

Inventory Features

General		Invoicing	
Integrate accounts and inventory	? Yes	Enable invoicing	? Yes
Enable zero-valued transactions	? No	Record purchases in invoice mode	? Yes
Storage and Classification		Use debit and credit notes	? No
Maintain multiple Godowns	? No	Record credit notes in invoice mode	? No
Maintain stock categories	? No	Record debit notes in invoice mode	? No
Maintain batch-wise details	? No	Use separate discount column in invoices	? No
Set expiry dates for batches	? No	Purchase Management	
Use separate actual and billed quantity columns	? No	Track additional costs of purchases	? No
Order Processing		Sales Management	
Enable purchase order processing	? No	Use multiple price levels	? No
Enable sales order processing	? No	Other Features	
Enable job order processing	? No	Use tracking numbers (enables delivery and receipt notes)	? No
<i>(Enables the options 'Maintain multiple godowns' and 'Use material in and out vouchers')</i>		Use rejection inward and outward notes	? No
		Use material in and out vouchers	? No
		Use cost tracking for stock item	? No

F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons

Q: Quit A: Accept Ctrl + N

Update the following details on Company Alteration Screen:

General

- **Integrate accounts and inventory:** If we want to include stock or inventory balances in inventory records, then choose this option as Yes.
- **Enable Zero-value transactions:** If we want to allow the zero-value transactions, then choose this option as Yes.

Storage and classification

- **Maintain multiple go downs:** If we have more than one storage location and go downs for storing the materials, then enable this option.
- **Maintain stock categories:** If we want to define or maintain stock categories, then enable this option.
- **Maintain batch-wise details:** If we want to maintain batch-wise details for stock items, then enable this option.
- **Set expiry dates for batches:** If we want to maintain the expiry dates for batches, then choose this option.
- Use separate actual and billed quantity columns.

Order Processing

- **Enable sales order processing:** If we want to define sales orders, then enable this option.

- **Enable job order processing:** If we want to define the job orders, then enable this option.
- **Enable purchase order processing:** If we want to define job orders, then enable this option.

Invoicing

- Enable Invoicing:
- Record purchases in invoice mode
- Use separate discount columns in invoice
- Use credit or debit notes:
- Record debit notes in invoice mode
- Record credit notes in invoice mode

Purchase Management

- Track additional costs of purchases

Sales management

- Use multiple price levels

Other features

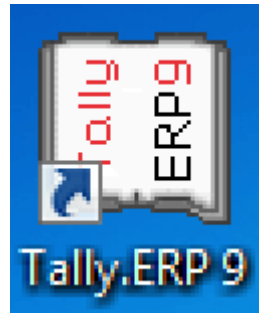
- Use material in and out vouchers
- Use rejection inwards and outward notes
- Use tracking numbers
- Use cost tracking for stock item

After enabled or disabled the features, press **Ctrl+E** or choose **A: Accept** to save the details.

1.5 STARTING TALLY

When we successfully installed Tally on Windows or Mac OS, we can start Tally ERP 9 by using one of the following methods.

Now, double click on Tally ERP 9 icon from the computer as follows:



Or we can follow the path: **Start > Program > Tally.ERP 9**

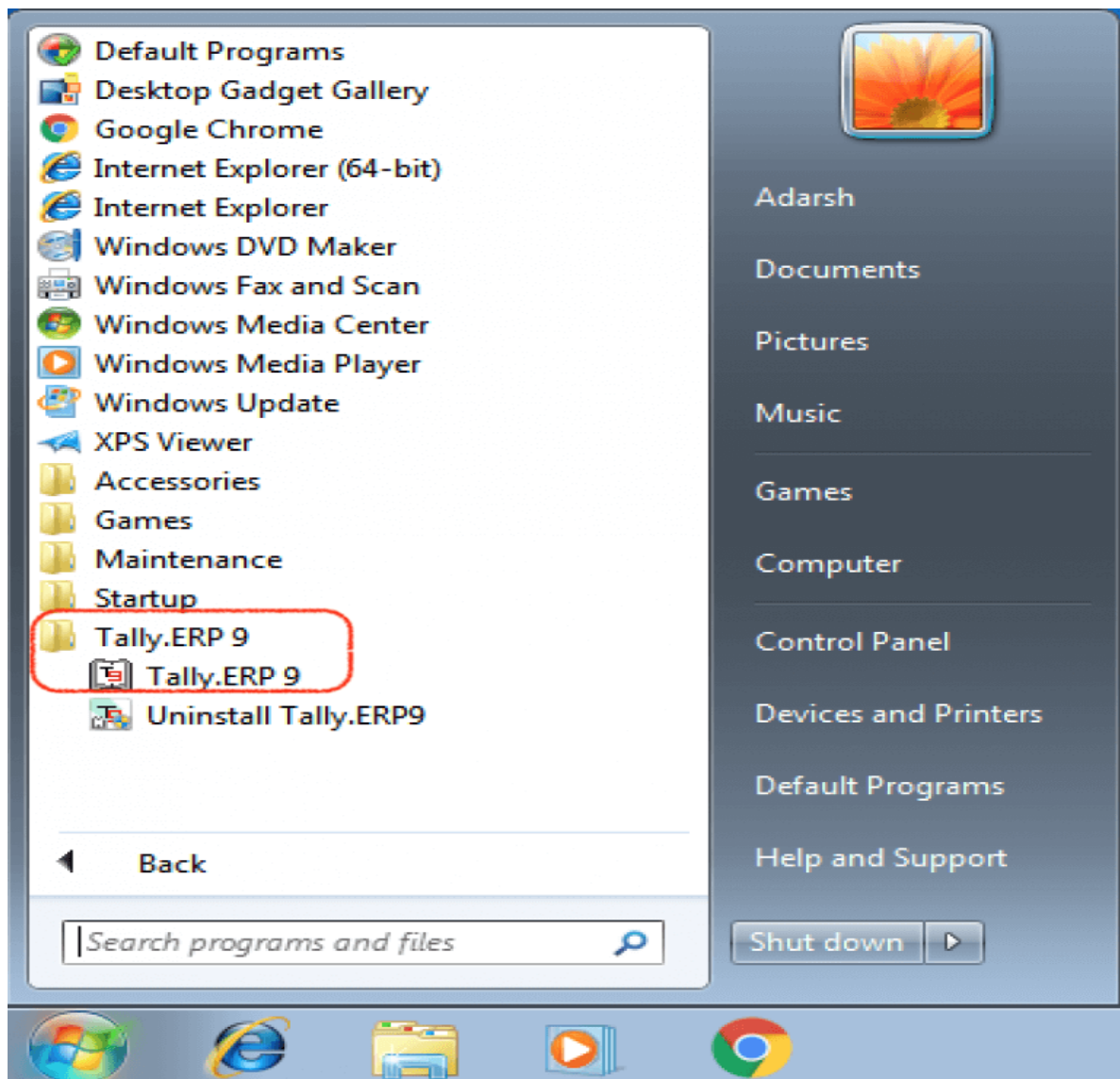


Fig :1.4 Start-ups screen

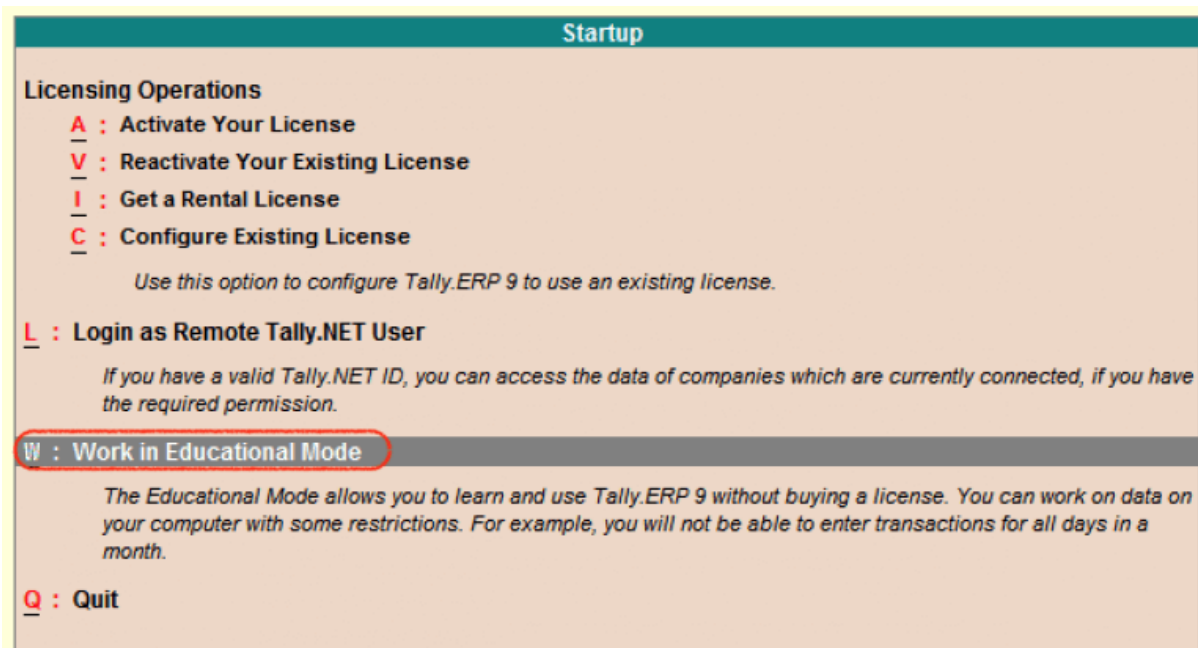
The following options will appear on the start-up screen:

Play Video



1. **Licensing Operations:** To activate our license, we will press A form our keyword.
2. **Login as remote Tally.Net user:** If we enter a valid Tally.Net User id and Password of a company that is currently connected, we can login as remotely.
3. **Work in Education Mode:** For practice purposes, we use work in education mode. This method is used to work with tally without buying the license with some restrictions.
4. **Quite:** To close the Tally, click on the "Quite" option.

Here we are going to use Tally ERP 9 software for educational practice purposes. So we will choose the work in education mode option as follow:



Note: If we want to use Tally for business purposes, we have to purchase the license and activate it using the purchased license key.

When we login into Tally, the welcome screen of Tally ERP 9 will display on the system.



Fig :1.5 Tally.Erp 9

After loading the Tally software on our system, the gateway of tally displays on the screen as follows:

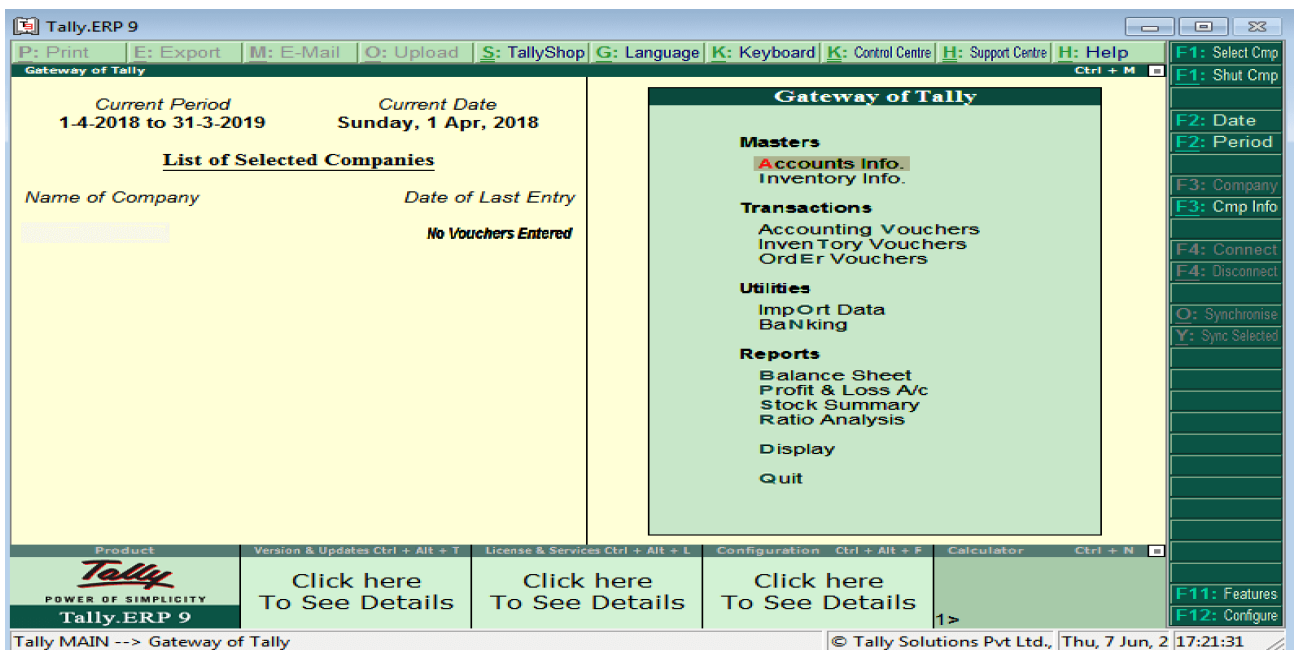


Fig :1.6 Tally ERP 9 Software

From the above screen, we are allowed to work with Tally ERP 9 Software.

How to close Tally ERP 9 Software?

After working with Tally ERP 9, we can quit the Tally ERP 9 screen. But we have to close all the screens before shut down the Tally ERP 9.

To quit Tally software, we can use one of the following methods as follows:

1. We should Press **ESC** key from our keyboard until we see the confirmation message QUIT: YES/NO. To Quit Tally ERP 9, Press Y from our keyboard.
2. To quit Tally ERP 9 without a confirmation message, we should press **Ctrl+E** buttons from Gateway of Tally.
3. Alternatively, we can click on the **quit** option, which is available on the top right menu.

1.6 START-UP SCREEN COMPONENT

When we start the Tally ERP 9 application, the welcome home screen of Tally will display on the screen during the Tally software loading on the computer system as follows:

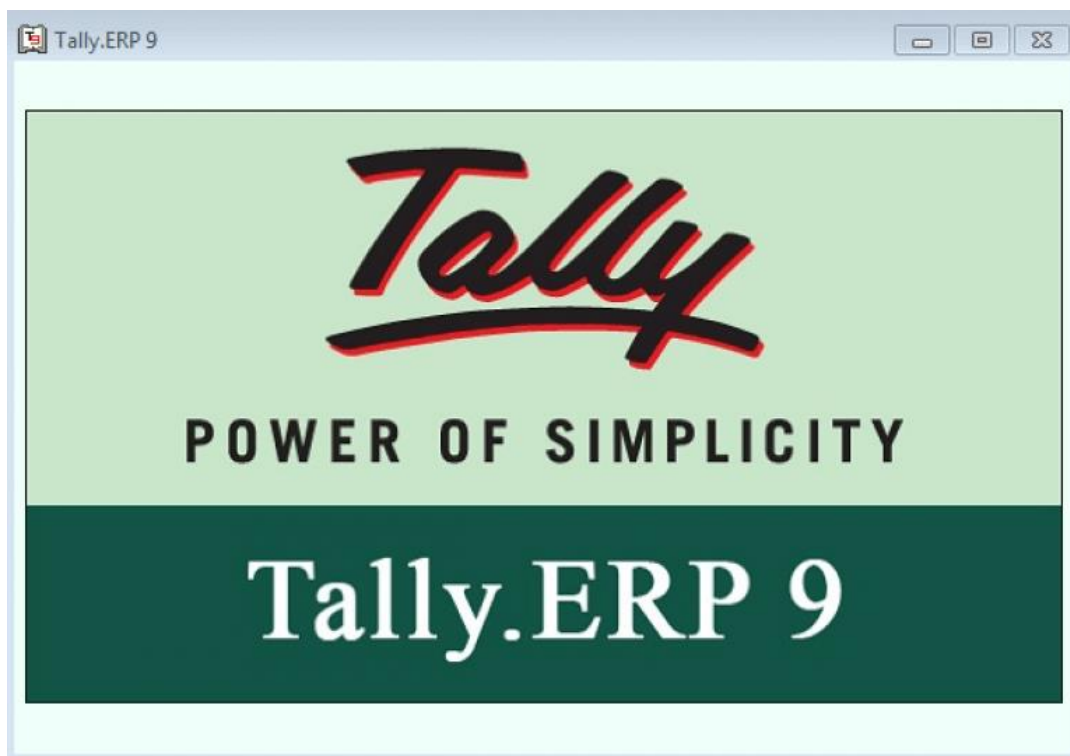


Fig :1.7 Tally ERP 9 Displays screen

After Tally software loading, the start-up screen of Tally ERP 9 displays on the screen as follows:

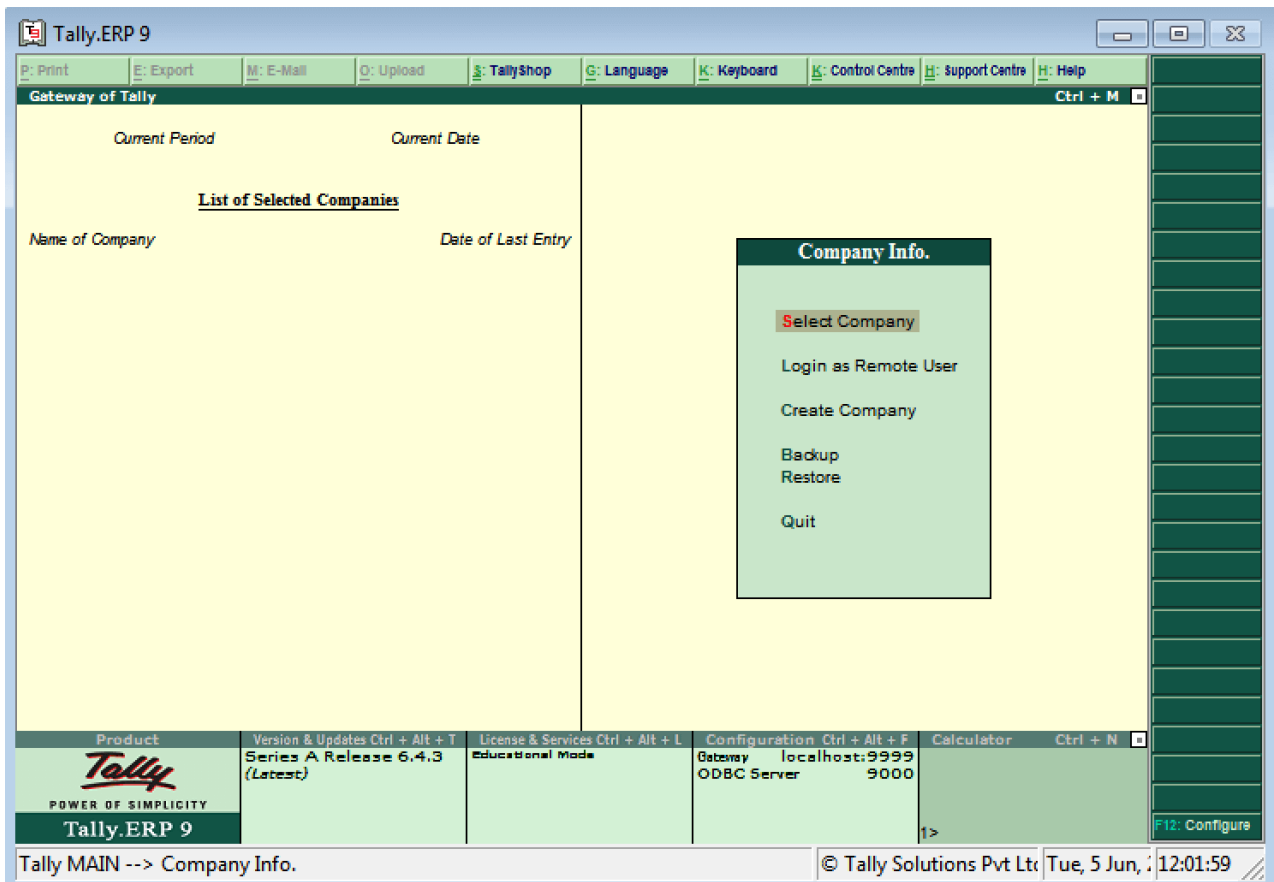


Fig :1.8 Home screen of Tally ERP 9

The following components are contained by the home screen of Tally ERP 9:

1. Title Bar
2. Horizontal Button Bar
3. Close Button
4. Gateway of Tally
5. Buttons Toolbar
6. Calculator area
7. Info Panel
8. Data and Time

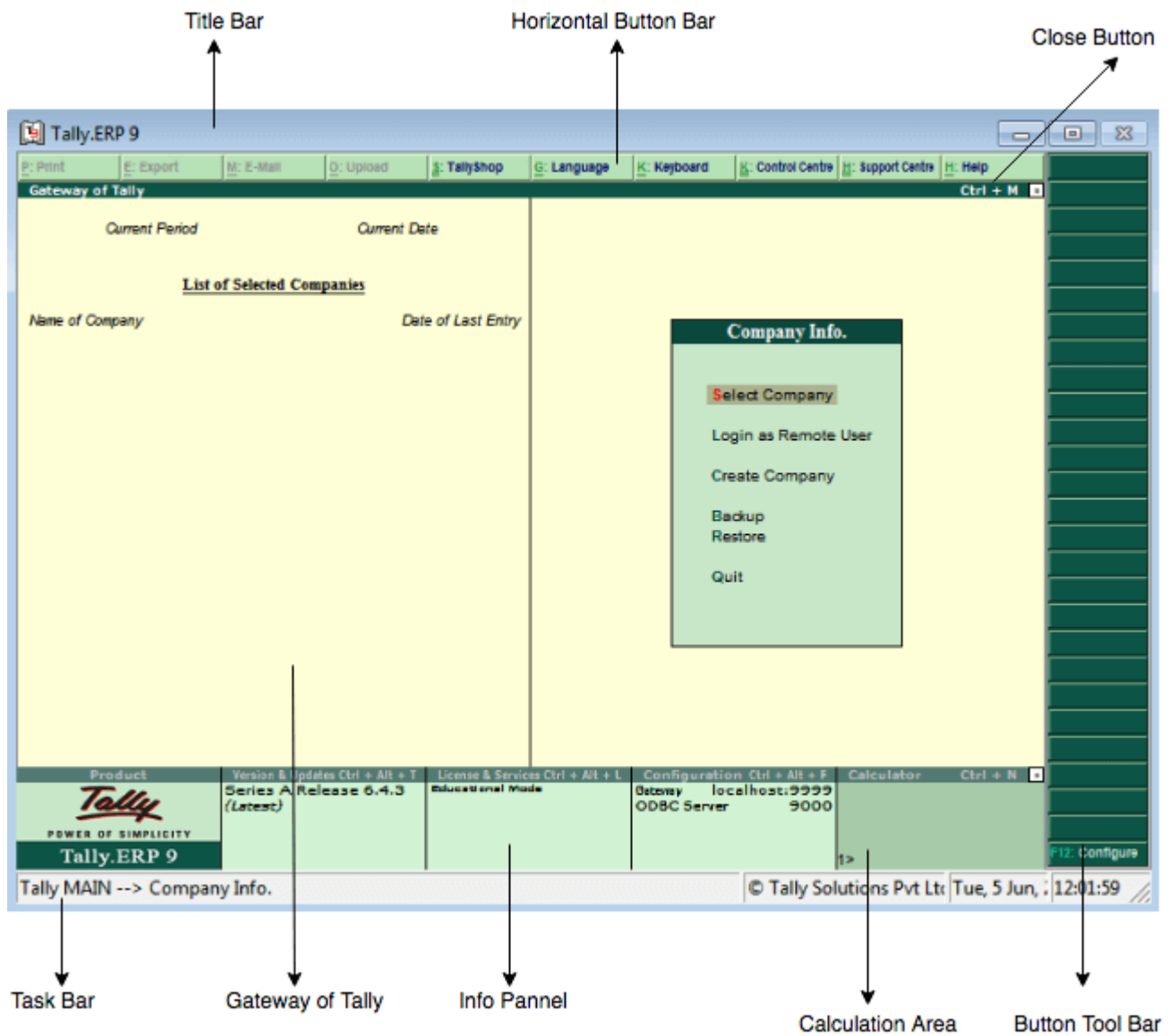


Fig :1.9 Tally Screen Components

Title Bar: This is used to display the Tally software that we are using.

Play Video



Horizontal Button Bar: It helps to choose Keyboard settings, support centre, Language, Control centre, and Help.

Close Button: Click on this close button or use Ctrl+E to close the Tally window.

Task Bar: It is used to display the task of Tally ERP 9.

Gateway of Tally: It is used to display the menu, screen, reports.

Info Panel: Information panel is used to display the license details, configuration details, and tally version.

Calculation Area: It is used for calculation functions.

Buttons Tool Bar: It is used to display the buttons that enable for immediate interaction with Tally. It can display only the buttons that are applicable to the current task.

Date and Time: It is used to display the current date and time.

1.7 PROCESSING ICONS

You can set the required number styles in Tally.ERP 9. The default styles and symbols are specified. However, you have the option of changing them in the respective fields according to your preference.

For example, change negative sign from (-) to (+).

Go to **Gateway of Tally > F12: Configure > Numeric Symbols**. The **Configuration of Numeric Symbols** screen appears as shown below:

Configuration of Numeric Symbols
(Use underscore to denote a space)

Symbols to use for Positive Numbers

Symbol before number (prefix)	:	(+)	default: '(+)
Symbol after number (suffix)	:		Default: blank

Symbols to use for Negative Numbers

Symbol before number (prefix)	:	(-)	default: '(-)
Symbol after number (suffix)	:		Default: blank

Symbols to use for Debit Amount

Symbol before number (prefix)	:		Default: blank
Symbol after number (suffix)	:	_Dr	Default: '_Dr'

Symbols to use for Credit Amount

Symbol before number (prefix)	:		Default: blank
Symbol after number (suffix)	:	_Cr	Default: '_Cr'

Enable required options.

Press **Ctrl+E** to accept.

Note: If you change any configuration of number styles, you need to restart the application for those changes to reflect.

1.8 MULTILINGUAL FEATURES OF TALLY

Tally.ERP 9 comprises of the following salient features:

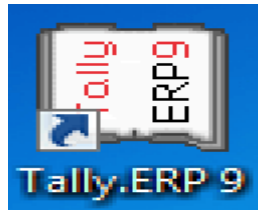
- **Simple and easy** to use.
- Provides **concurrent multilingual support**.
- Allows **dynamic** selection of the **scripts**.
- Supports **flexible data input** in the language of the **user's choice**.
- Easy to use **keyboards layouts** – in script as well as phonetic.
- Captures **language specific aliases** for all masters.
- Supports user interface in about **10 languages**.
- Provides the facility to switch to **multilingual user interface** quickly.
- Allows effortless **transliteration** from one Indian language to another within the Indic family of languages.
- Supports **translation** of masters based on predefined aliases.
- **In-built dictionaries** provide appropriate language conversion during runtime.
- Supports Discrete and Combinatorial type **unit-directional scripts**.
- Enables comprehensive **localised accounting and financial reporting**.
- Allows you to display and print bills, vouchers, invoices, receipts, reports and ledgers in the **language of your choice**.
- Generates MIS reports such as confirmation letters, reminder letters in **multiple languages**.
- Allows you to cut or copy multilingual text from other applications such as Microsoft Word, WordPad, Instant Messenger, Outlook Express.

Press **Ctrl+E** to **copy** and **Ctrl+Alt+V** to **paste** in Tally.ERP 9.

1.9 QUIT TALLY

When we successfully installed Tally on Windows or Mac OS, we can start Tally ERP 9 by using one of the following methods.

Now, double click on Tally ERP 9 icon from the computer as follows:



Or we can follow the path: **Start > Program > Tally.ERP 9**

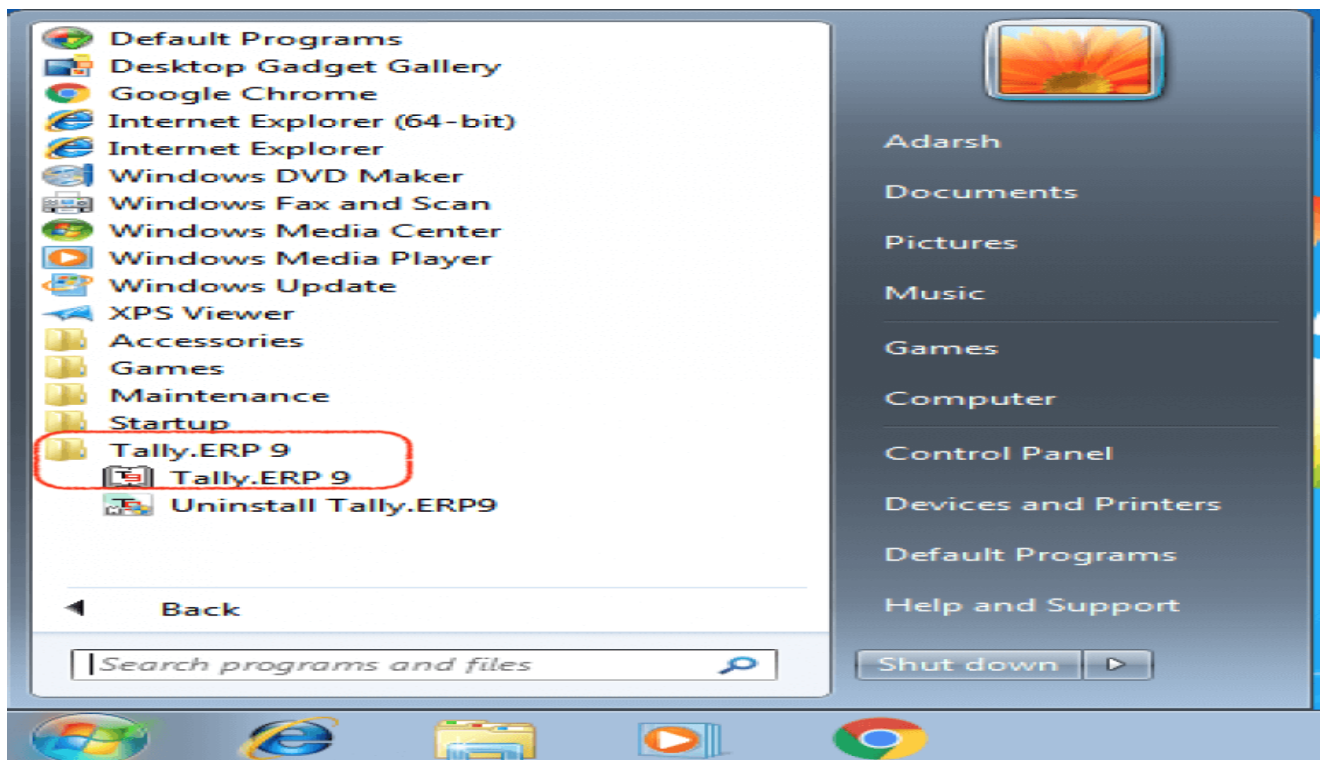
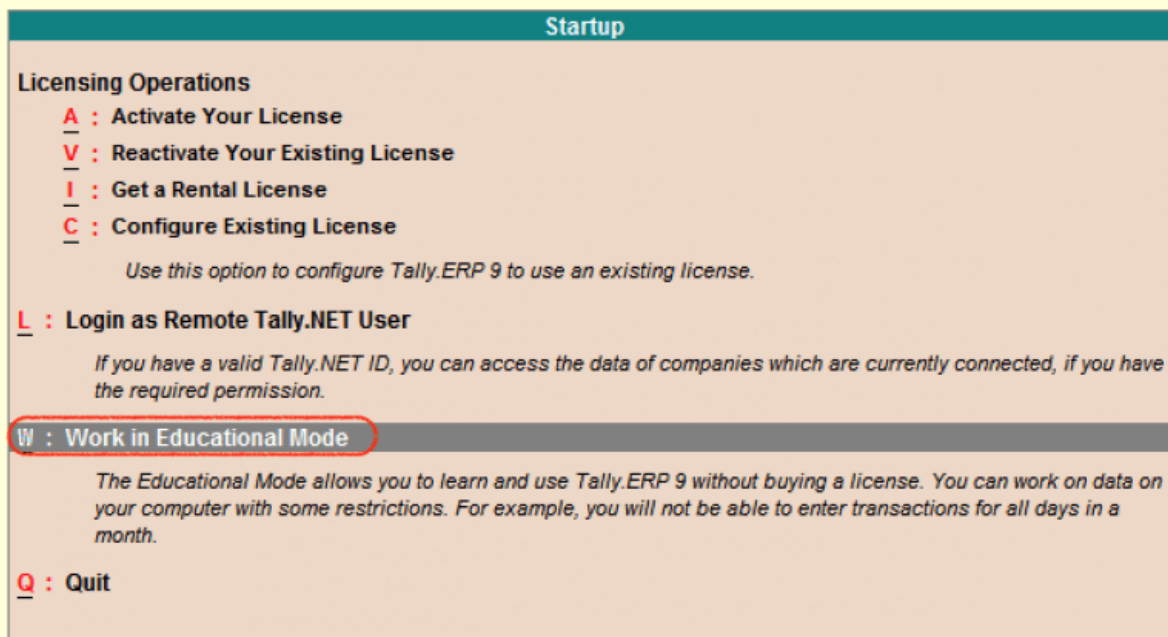


Fig :1.10 The following options will appear on the start-up screen

1. **Licensing Operations:** To activate our license, we will press A form our keyword.
2. **Login as remote Tally.Net user:** If we enter a valid Tally.Net User id and Password of a company that is currently connected, we can login as remotely.
3. **Work in Education Mode:** For practice purposes, we use work in education mode. This method is used to work with tally without buying the license with some restrictions.
4. **Quite:** To close the Tally, click on the "Quite" option.

Here we are going to use Tally ERP 9 software for educational practice purposes. So we will choose the work in education mode option as follow:



Note: If we want to use Tally for business purposes, we have to purchase the license and activate it using the purchased license key.

When we login into Tally, the welcome screen of Tally ERP 9 will display on the system.



Fig :1.11 Tally ERP 9 will display on the system.

After loading the Tally software on our system, the gateway of tally displays on the screen as follows:

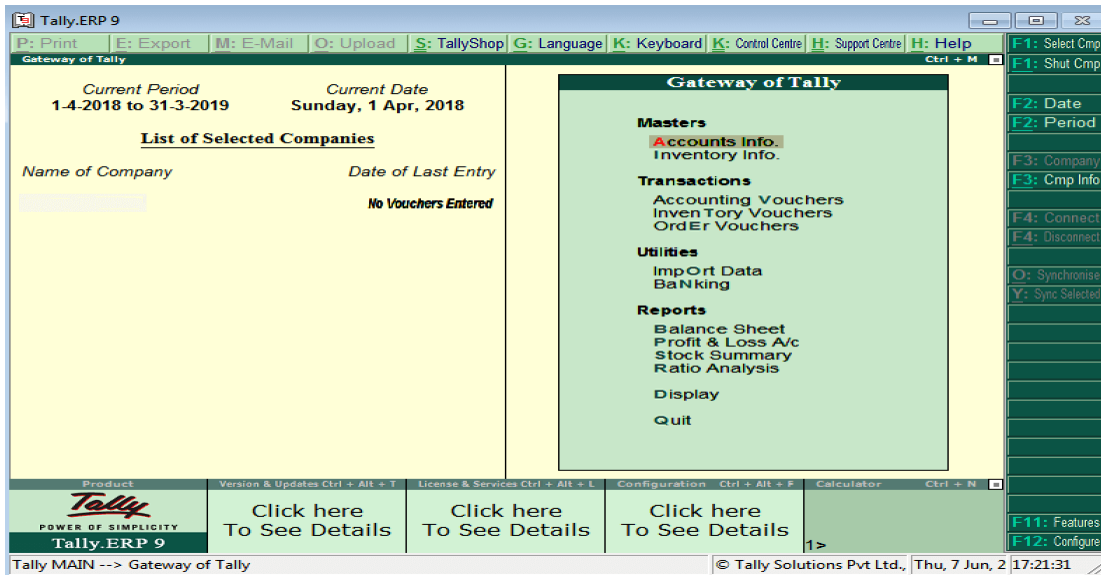


Fig :1.12 Tally ERP 9 Software

From the above screen, we are allowed to work with

How to close Tally ERP 9 Software?

After working with Tally ERP 9, we can quit the Tally ERP 9 screen. But we have to close all the screens before shut down the Tally ERP 9.

To quit Tally software, we can use one of the following methods as follows:

1. We should Press **ESC** key from our keyword until we see the confirmation message **QUIT: YES/NO**. To Quit Tally ERP 9, Press **Y** from our keyword.
2. To quit Tally ERP 9 without a confirmation message, we should press **Ctrl+E** buttons from Gateway of Tally.
3. Alternatively, we can click on the **quit** option, which is available on the top right menu.

1.10 UNIT END QUESTIONS

A. Descriptive Questions

Short Answer Questions

1. List accounting features of tally.
2. What do you mean by starting tally?
3. What do you mean by quit tally?
4. Explain the general features of tally.

5. Explain the accounting features of tally.

Long Answer Questions

1. Explain the inventory features of tally.
2. Describe the multilingual features of tally.
3. Explain the start-up screen component.
4. Describe the multilingual and inventory features of tally.
5. Describe the inventory and accounting features of tally.

B . Multiple Choice Questions

1. On which basis accounting packages are developed?
 - a. Both Accounting concepts and Conventions
 - b. Accounting concepts
 - c. Accounting conventions
 - d. Accounting procedure
2. What type of Software is an Accounting Package?
 - a. Application Software
 - b. System Software
 - c. Utility Software
 - d. Basic
3. What are the components of computerized accounting system?
 - a. Software, Hardware, People, Procedure, Data
 - b. Data, Report, Ledger, software, Hardware
 - c. Data, Coding, Procedure, Objective, Output
 - d. People, Procedure, Hard ware, software
4. From which Classification of data meant by grouping of Accounts Assets,
 - a Capital, Liabilities, Revenues & Expenses
 - b Assets, Capital, and Liabilities
 - c Assets, Owners equity, Revenue & Expenses
 - d Capital, Liabilities, Revenues, & Expenses
5. On which purpose Codification of Accounts required?

- a. Hierarchical relationship between groups and components
- b. Data processing faster and preparing of final accounts
- c. Keeping data and information secured
- d. Prepare balance sheet

Answers: 1.a, 2.a, 3.a, 4.a, 5.a

1.11 REFERENCES

Reference Books:

- Garg, S. (2021). *Tally.ERP 9 in Simple Steps*. BPB Publications.
- Jha, S. (2021). *Learn Tally in 20 Hours*. BPB Publications.
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- Sahay, P. (2021). *Tally.ERP 9 with GST*. BPB Publications.
- Krishna, G. K. (2021). *Tally ERP 9.0 (With GST)*. Khanna Book Publishing.

Web Resources:

- Tally Solutions. (n.d.). <https://www.tallysolutions.com>
- Tutorials Point. (n.d.). <https://www.tutorialspoint.com/tally>
- TallySchool. (n.d.). <https://www.tallyschool.com>
- Tally ERP9 Tutorial. (n.d.). <https://tallyerp9tutorials.com>
- Learn Tally.ERP 9. (n.d.). <http://www.learntallyerp9.com>

UNIT- 2 ACCOUNTING IN TALLY

STRUCTURE

2.0 Objective

2.1 Introduction

- 2.2 Create Company, Alter & Display Groups and Ledgers
- 2.3 Accounting Voucher Types
- 2.4 Accounting and Voucher transaction
- 2.5 Account Invoice transaction Create
- 2.6 Alter & Delete Budgets for groups,
- 2.7 Ledgers & Cost centre
- 2.8 Defining credit limit & credit period
- 2.9 Display Budgets and variances
- 2.10 Create alter and delete a scenario Journals transaction payment
- 2.11 Unit End Questions
- 2.12 References

2.0 OBJECTIVES

After completing this Students will be able to

- Define Accounting vouchers
- Understand Ledgers & Cost centre
- Defining credit limit & credit period
- Describe Create alter and delete a scenario Journals transaction payment

2.1 INTRODUCTION

Accounting or book keeping is an important aspect of running a business successfully. Tally.ERP 9 provides simple-to-use accounting features that enable you to record business transactions easily.

Accounting Features

You can record transactions necessary for your business by creating and maintaining masters, vouchers, and generating reports. Tally.ERP 9 enables you to perform and manage all of the major accounting operations in your business, such as:

- Booking-keeping of all transactions, including creating and maintaining invoices
- Maintaining bill-wise payment information

- Processing transactions for banking, including cheque management and reconciliation
- Managing cost and profit centres
- Implementing statutory and interest calculations
- Viewing Balance Sheet, and profit and loss account

You can get started with Tally.ERP 9's accounting features instantly to:

- Create your company and masters (bank ledgers, party master, cost centre ledgers or employee ledger), as required.
- Configure your company for any statutory or other business requirements.
- Record voucher transaction with entering details of your product or service.
- View reports to know the financial status of your business.

Accounts Information

The accounts information lists accounting masters like groups, ledgers and voucher types with which you can provide company's account details. Accounts information provides:

- Single master option to work with one master at a time.
- Multiple masters option to work with many sub-masters at a time. A sub-master behaves exactly like a master.

To view the menu options, go to Gateway of Tally > Accounts Info. Accounts information for ledgers, groups or voucher have the following functions:

Function	Description
Create	To create new masters.
Display	To view the master information. Master information cannot be modified in the display mode.
Alter	To view and make changes to the master information. You cannot create masters in the alter mode.

F11: Features

1. Go to **Gateway of Tally > F11: Features > F1: Accounts.**
2. Select the company from the **List of Companies.** The **Accounting Features** screen appears as shown below:

General	
Maintain accounts only	? No
Integrate accounts and inventory	? Yes
Use Income and Expenses A/c instead of Profit and Loss A/c	? No
Enable multi-currency	? Yes
Outstanding Management	
Maintain bill-wise details	? Yes
For non-trading accounts also	? No
Activate interest calculation	? Yes
Use advanced parameters	? No
Cost/Profit Centres Management	
Maintain payroll	? No
Maintain cost centres	? Yes
Use cost centre for job costing	? No
Maintain more than one payroll or cost category	? No
Use pre-defined cost centre allocations in transactions	? No
Show opening balance for revenue items in reports	? No

Fig :2.1 Features screen appears as shown below

See **F11: Company Features in Tally.ERP 9** for details.

F12: Configure Options

- Go to **Gateway of Tally > F12: Configure > Accts / Inventory Info**. The **Master Configuration** screen appears as shown below:

Master Configuration			
Allow aliases along with names		? Yes	
Allow language aliases for names		? No	
Accounts		Inventory	
Allow advanced entries in masters	? Yes	Allow advanced entries in masters	? No
Use addresses for ledger accounts	? Yes	Use part numbers for stock items	? No
Use contact details	? Yes	Use description for stock items	? No
Add notes for ledger accounts	? No	Use remarks for stock items	? No
Add description for ledger accounts	? No	Use alternate units for stock items	? Yes
		Allow std. rates for stock items	? No
		Specify default ledger allocation for invoicing	? No
		Allow component list details (Bill of Materials)	? Yes
		Allow addresses for Godowns	? No

Fig: 2.2 Master Configuration screen appears as shown below

Note: The configurations are applicable for all ledger masters. Changes can be made in the Ledger Configuration screens as well.

2.2 CREATE COMPANY IN TALLY

In this section, we will learn how to create a company using a simple step by step methods. The first step to get started is to create a company. In Tally, the creation of a company involves basic information about the company, books, and details of currency.

How to create a company in Tally?

Step 1: In tally, after login double click on the create company option under company information. The following navigation path is used to create the company in Tally:

Gateway of Tally → Company Info → Create Company

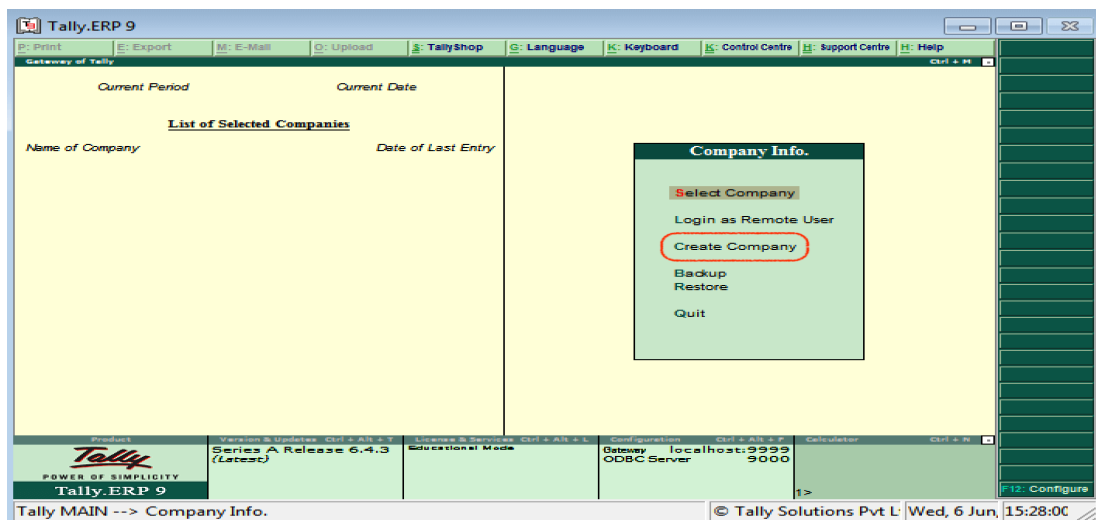


Fig :2.3 Gateway of Tally → Company Info → Create Company

Step 2: The following screen displays the company creation window:



Note: Use the Arrow key, Tab key, Mouse, or Enter key to navigate between the fields in Tally.

Step 3: Enter the "Company's Mailing Name". This is an important field because it shows all the printouts.

Step 4: Enter the "Company's Full Address". This is shown on all printouts. Thus it is an important field.

Step 5: Choose the "Name of the Country" as India from the given countries list.

Step 6: Choose the "State" from the given list of states.

Step 7: Update the "Company's Pin Code", where it is located.

Step 8: Update the "Telephone Number"/ landline of the company.

Step 9: Update the "E-Mail id" and "Website" of the company.

Step 10: Update the financial year starting date of the company. In India, the financial year of the company starts on 1st April and ends on 31st March.

Step 11: Update the date from which accounting is allowed in Tally. Generally, this date and the starting date of the financial year are the same. But if the company has been formed on any other date of the year, that date will be mentioned.

For example: If books have been set to begin from 1-Dec 2019, the Tally will not allow the entries for the 1-April-2019 to 30-Nov-2019.

Step 12: If we want to use Tally Vault, enter a password. It is a secure feature that encrypts data.

Note: we have to use this feature very carefully. If we forget the password, it may be impossible to recover the data. We can permanently lose the data.

Step 13: Repeat the password of Tally Vault. Tally ERP matches this password with the previously entered password to ensure that the password we typed previously was the intended password, which means there is no typing error.

Here the bar indicates the password strength. Strong passwords indicate with a green bar. A strong password is better.

ALTER & DISPLAY GROUPS AND LEDGERS

In this section, we will learn how to alter, delete, and shut the company in Tally ERP 9 software.

How to Alter Company

After the company creation in Tally, the given information of the company can alter/ modify/ change as per requirement. Use the following steps to alter company in Tally:

Step 1: Gateway of Tally → Press Alt+F3 → Alter

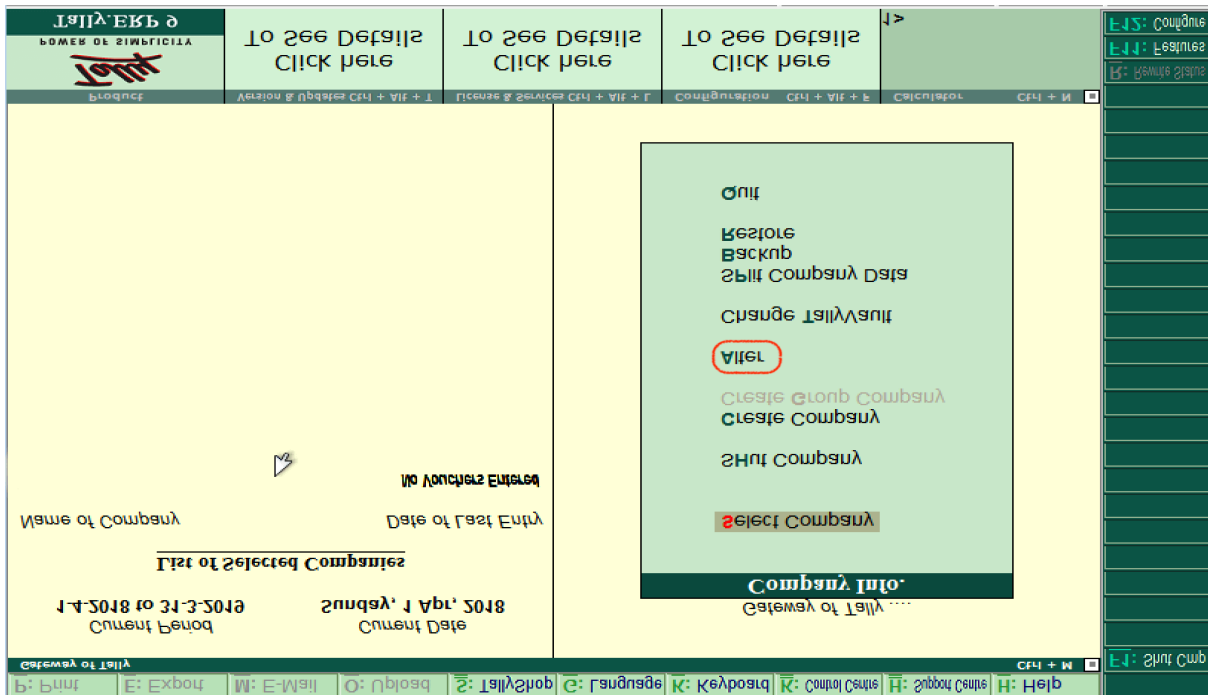


Fig :2.4 Gateway of Tally → Press Alt+F3 → Alter

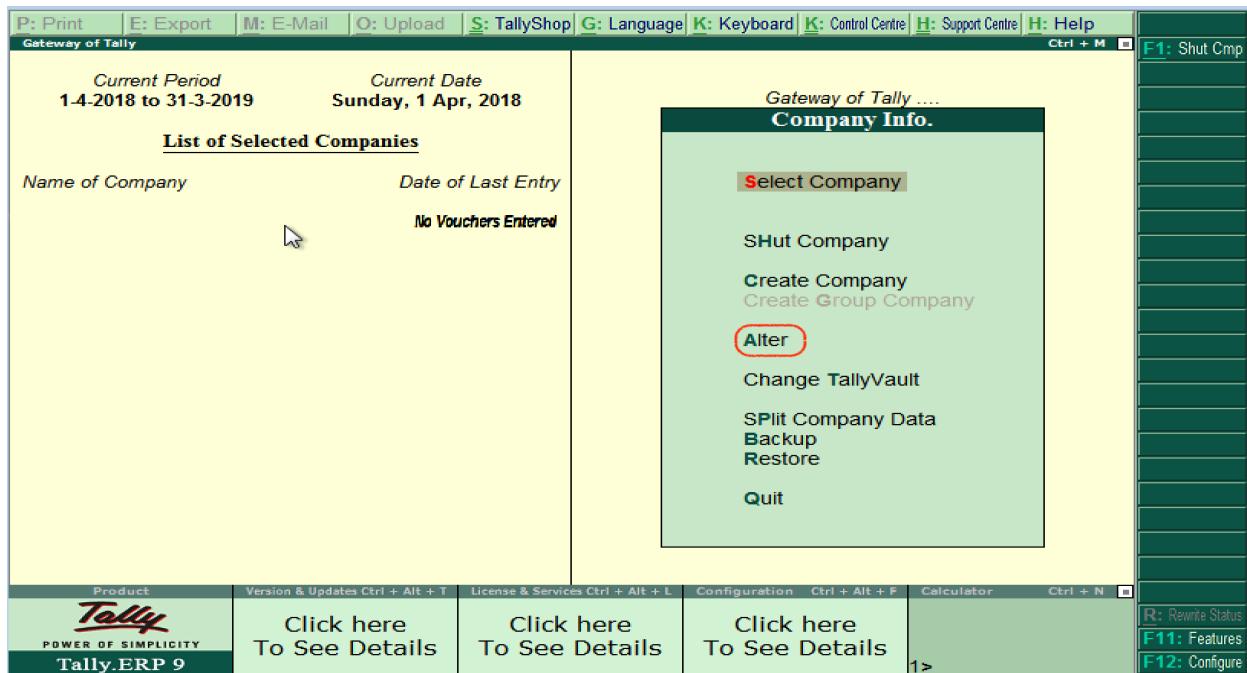
Step 2: Under "List of Selected Company", select the company name and click on the name of company to alter as shown below:

Play Video



Company Alteration		Ctrl + M	
Name :		Books and Financial Year Details	
Primary Mailing Details		Financial year begins from : 1-4-2018	
Mailing name :		Books beginning from : 1-4-2018	
Address :	Amaravathi Vjayawada	Security Control	
Country :	India	Use security control ? No	
State :	Andhra Pradesh	<i>(Enable security to avail TSS features)</i>	
Pincode :	522020		
Contact Details			
Phone no. :	08645 - 888888		
Mobile no. :			
Fax no. :			
E-mail :			
Website :			
Base Currency Information			
Base currency symbol :	₹	Number of decimal places :	2
Formal name :	INR	Word representing amount after decimal :	paise
Suffix symbol to amount :	? No	No. of decimal places for amount in words :	2
Add space between amount and symbol :	? Yes		
Show amount in millions :	? No		
Q: Quit		Ctrl + N	

Step 3: On the screen of company alteration, add and modify the required details. To save the details, use the Ctrl+E option. Here we are going to add contact details of a phone number.



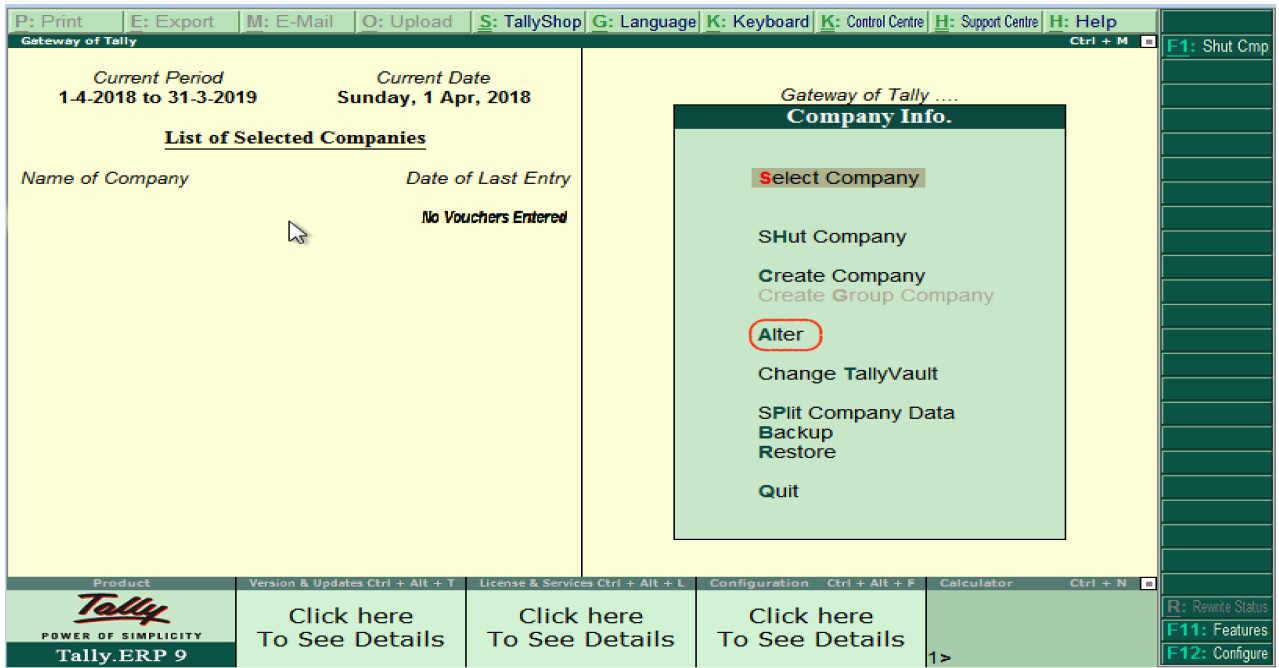
How to delete company

In Tally, if we delete the company, it can remove the company's complete information from Hard disk. All the directories and files that are associated with the company will be permanently deleted. This information cannot be reserved.

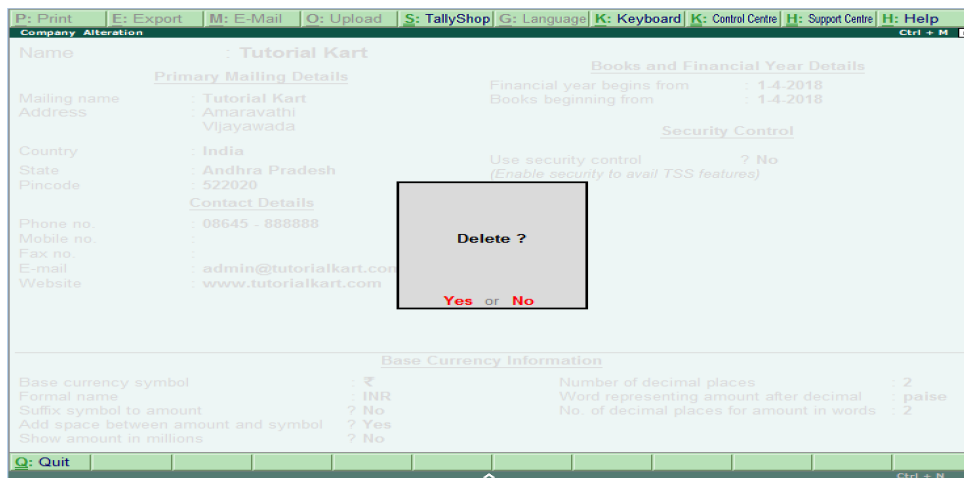
In Tally ERP 9, use the following path to delete the company:

Gateway of Tally → Alt+F3 → Alter → Halted

Step 1: The company information will display on the screen after using Alt+F3 keys. Here, the delete option will not be available. Now, click on the alter option.



Step 2: Now, click on Select Company and then click Halted. After this, click on the YES option to delete the company.



How to Shut Company in Tally?

In Tally, shut a company does not mean that delete a company, it means close. After working with the company, choose the "Quit" button to close the present company or press **Alt+F1** if we chose more than one company.

2.3 ALL ACCOUNTING VOUCHERS TYPE

Tally ERP 9 is an accounting software broadly used by many businesses as it consists of various useful features for easy maintenance of records and analysing data.

This software is constantly updated to keep in terms with the latest industry developments to do business accounting easily. Tally.ERP 9 offers transaction recording, inventory maintenance and statutory compliances. Tally Accounting Vouchers are an important tool for better maintenance of records, and it also creates a base for analysing data. You may have used vouchers in tally and may be acquainted with its role. However, if you are new to Tally ERP or want more clarity about vouchers in Tally ERP 9, you can check this article for gaining a better understanding.

What is a voucher in Tally?

Voucher in Tally is a document having all the details of a financial transaction and is required for recording them in the books of accounts. They can be easily created and modified. You can find types of Tally vouchers option in 'Gateway of Tally' under 'Transactions'. There are few predefined vouchers in tally and can be viewed as Gateway of Tally > Display > List of accounts > Ctrl V [Voucher types]. The following screen will appear in the tally vouchers list:

Types of vouchers in Tally

There are broadly two voucher types in tally. They are accounting vouchers and inventory vouchers.

Accounting vouchers in Tally can be further classified as under.

1. Sales Voucher
2. Purchase Voucher
3. Payment Voucher
4. Receipt Voucher
5. Contra Voucher
6. Journal Voucher
7. Credit Note Voucher
8. Debit Note Voucher

Inventory vouchers in Tally can be further classified as under.

1. Physical Stock Verification
2. Material in and Material Out Voucher
3. Delivery Note
4. Receipt Note

Let's understand each Tally accounting voucher in-depth

Tally accounting vouchers

1. Sales Voucher in Tally

Whenever you sell a product or service, you record sales entries. In tally, the sales are recorded through the sales voucher. It is one of the most widely used accounting vouchers in tally. There are two modes for accounting in sales vouchers- Invoice mode and Voucher mode. You can use either of them. You can print the copy of your invoice to the party in Invoice mode. In Voucher mode, you can record the transaction for statutory purposes where you don't need to print the invoice document.

You get great flexibility with Tally ERP 9. If you want to change the mode of your transaction, you can do so with the help of the Toggle button, and your screen will be adjusted with the relevant data making it user-friendly. You can mention the complete details of all the items you sell along with units, quantity and rate. You can also activate GST calculations if they are applicable to you.

2. Purchase Vouchers in Tally

Whenever you purchase a product or service, you record the purchase entry. In tally, this is recorded through the purchase voucher. It is also one of the most widely used vouchers in tally. There are two modes for accounting in purchase vouchers- Invoice mode and Voucher mode, as mentioned in the sales voucher. You can use either as you see fit. You can print the copy of your invoice to the party in Invoice mode. Whereas in Voucher mode, you can record the transaction for statutory purposes, and you don't need to print the invoice document. You can also change the mode of transaction like in the sales voucher in Tally.

3. Payment Voucher in tally

All the functions of a payment transaction are available in Tally. You can have all the necessary details like instrument number, Bank name, balance available, etc. After passing the entry in the payment voucher, you can also print the cheque. You can look at the list of cheques that need to be printed by going to Banking and clicking on Cheque Printing. Tally.ERP 9 supports around 500 banks from both India and foreign countries. After the payment is made, you can generate and share the payment receipt with your supplier and keep them updated regarding payments.

4. Receipt Voucher in Tally

When you receive payment, you can record that transaction in the receipt voucher. You will even get a prompt for the pending payments from your customers. You can record transactions when you receive the payment and select the correct mode to receive the payment- cash, cheque or other modes- and mention the relevant instrument number. With

receipt vouchers, now you can maintain transparency of your sales with your clients effectively.

5. Contra Voucher in Tally

Contra Voucher is used when either side of the entry has cash, bank or multiple banks involved. Generally, any cash deposit, withdrawal, transfer amongst different accounts are recorded in a contra voucher. You can also generate a cash deposit slip and mention the denominations of the currency involved in such a transaction.

6. Journal voucher in Tally

This voucher can be used for multiple reasons. Some use it for sales, purchases, depreciation; any adjustment entry can also be done using this voucher in Tally. This voucher is available in both accounting and inventory vouchers in Tally. In inventory mode, the entry relating to the movement of goods can be passed.

7. Credit Note Voucher in Tally

Credit Note entry is passed when there is a sales return transaction. This voucher usually remains deactivated by default. You can activate it by pressing F11 and configuring features in invoicing. You can refer to the original sales invoice against which this entry is passed to keep track of such transactions. When a party is selected, you will come across the list of invoices against which this credit note voucher is used. Credit notes can also be used either in invoice mode or as voucher mode as could be used in Sales Voucher.

To Activate the Credit Note and Debit Note feature, you can select F11 and activate the credit and debit note feature as under:

8. Debit Note Voucher in Tally

Debit Note entry is passed when there is a purchase return transaction. This voucher is deactivated by default. You can activate it by pressing F11 and configuring its features. You can refer to the original purchase invoice against which this entry is passed for maintaining track of such transactions. When a party is selected, you will come across the list of invoices against which this Debit note voucher is used. Debit notes can also be used either in invoice mode or voucher mode as utilised in Purchase Voucher.

Inventory vouchers in Tally ERP 9

1. Physical Stock Verification Voucher in Tally

This voucher maintains the list of inventories in a company. Generally, businesses count physical stock verification periodically and keep a record of the same through this voucher. This helps to keep inventory control in check. You can mention the name, quantity, rates, go

down, batch/ lot no, manufacturing date, expiry date, etc. You can easily find which go down has how many goods and of what value. This can help in management decision making and maintain the numbers in the physical inventory and accounting books.

2. Material in and Material Out Voucher

This voucher is widely used for those businesses where workers are involved. It helps to keep track of inventory sent and received from a worker. You can activate this voucher by pressing F11 and configuring features. You can mention details like the item's name, rate, and quantity for better records maintenance. You can monitor the periodicity for which the goods have been with the job worker and when they were received. This is necessary for GST compliance as well.

3. Delivery Note Voucher

This voucher is used to record the delivery of goods. It is also referred to as Delivery Challan. It also has additional features wherein you can enter the vehicle number, dispatch document number, bill of lading, and other details.

4. Receipt Note Voucher

This voucher is used to record the receipt of goods from the suppliers. It also has additional features wherein you can enter the vehicle number, dispatch document number, bill of lading, and other details.

Order vouchers in tally

Apart from Tally accounting voucher and Tally inventory vouchers, tally also provides order vouchers. They are purchase orders and sales order vouchers. They help in managing the whole transaction cycle of an order. You can even record post-dated sales and purchase order vouchers.

Shortcut keys for voucher types in Tally ERP

Tally provides shortcut keys for faster usage and easy facility to the users. They have been tabulated as under:

Voucher type	Shortcut key
Sales	F8
Purchase	F9
Contra	F4
Payment	F5
Receipt	F6

Journal	F7
Credit Note	Ctrl + F8
Debit Note	Ctrl + F9
Physical Stock	Alt + F10
Material In	Ctrl + W
Material Out	Ctrl + J
Delivery Note	Alt + F8
Receipt Note	Alt + F9
Sales Order	Alt + F5
Purchase Order	Alt + F4

These shortcut keys will save you time, and you can work faster with their help.

2.4 ACCOUNTING AND VOUCHER TRANSACTION

As per the accounting practice of journaling, you can record all transactions using Journal Vouchers in Tally Prime. However, there are specialised accounting voucher types for different types of transactions like payments, receipts, sales, purchase, contra, debit note, credit note and so on to ease data entry. Once you know how to enter a transaction in Tally Prime, you can enter any transaction in a similar way. Voucher types in Tally Prime can be categorised as Journal, Purchase, Sales, Payment, Receipt, Contra, Inventory Vouchers, Order Vouchers and Non-Accounting Vouchers. In this topic, we will understand how to record a transaction in Tally Prime or say, accounting entry in Tally Prime and learn more about the voucher types provided for accounting in Tally Prime.

Apart from these 24 voucher types, you can also create your own under these for easy identification. For example, you can create Cash Sales under Sales voucher type so that you can identify and sequentially number all your cash sales.

For faster data entry operation, you can also use voucher class in Tally Prime.

Record Transactions

Recording transactions in Tally Prime follow a simple pattern. You can record a transaction with the following steps. A payment transaction for expenses is used for illustration.

1. **Gateway of Tally > Vouchers > press F5 (Payment).**

Alternatively, **Altegra (Go to) > Create Voucher > press F5 (Payment).**

2. If you want to change the voucher date, press **F2** (Date).

When you press **F2** to change the date, the date shown is for the subsequent day of the current date. This done to avoid manual entry of date for the next day as the immediately next day is the most common business day. You can however enter any date, even backward dates.

3. Select the mode of payment.
4. In **Account** field, select Cash ledger, which is already available or the Bank ledger. To learn more about Bank payment refer to Banking Utilities in Tally Prime. When you create a Company in Tally Prime, the system creates two ledgers by default – Cash and Profit & Loss A/c.
5. Select the ledger for which you are making the payment and specify the amount. For example, Rent.
 - a. Under **Particulars**, you need to select expense ledger for which you are making this payment.
 - b. If expense ledger is not available, press **Baltic** to create Ledger on fly. In **Ledger Creation (Secondary)** screen, give ledger name as per your expense head and select **Indirect Expense** group in the **Under** field.

In Tally Prime, you will find patterns to do certain tasks, and these patterns are consistent across the product. For example, when recording a transaction, you press **Baltic** to create a ledger, without leaving the voucher. This pattern works across the product. Anywhere in the product, on a field for ledger selection, press **Baltic** to create it.
 - c. In **Amount**, specify the expense amount.

Provide Narration, if any, and accept the voucher. As always, you can use Ctrl+E to accept.

Particulars		Amount
GST Provision		2,000.00
Cur Bal: 58,000.00 Cr		
Dr Account	2,000.00 Dr	

This is the process to record payment transactions in Tally Prime.

Edit Log for Transactions

In Tally Prime Edit Log Release 2.1 and Tally Prime Release 2.1 with Edit Log enabled, all the activities related to a particular transaction are recorded as Edit Log for that transaction. These activities include Creation, Alteration, and Deletion which can happen in various scenarios such as changing the rate of the stock item in the transaction, adding narration, changing voucher number, and others such activities that affect the Company data.

View Edit Log for transactions

You may want to view Edit Log to track changes made in a voucher. To view Edit Log for a transaction:

1. Open the transaction from Day Book.

a. Press **AMTG** (Go To) > type or select **Day Book** and press Enter.

Alternatively, **Gateway of Tally** > Day Book.

b. Select the transaction and press **Enter**.

The **Voucher Alteration** screen appears.

If you have opened Day Book to view altered/deleted vouchers and drill-down on a deleted transaction, then the **Edit Log** report appears.

2. In the transaction, press **Alt+Q** (Edit Log).

Alternatively, press **Ctrl+E** (Related Reports) > **Edit Log** and press **Enter**.

The **Edit Log** report displays **Version**, **Activity**, **Username**, and **Date & Time**.

Edit Log			
Version	Activity	Username	Date & Time
6	Altered	Clinton	10-Mar-22 15:30
5	Resaved (No changes)	Admin	10-Mar-22 9:34
4	Altered	William	9-Mar-22 18:21
3	Altered	Rinson	9-Mar-22 17:16
2	Altered	Clinton	9-Mar-22 16:06
1	Created	Paul	9-Mar-22 15:00

Refer to Activities Tracked Under Edit Log to know more.

1. Select any version and press **Enter**.

The **Differences Between Edit Log Versions** screen appears.

Differences Between Edit Log Versions			
Version : 5		Version : 6	
Activity : Resaved (No changes)	Date & Time : 10-Mar-22 9:34	Activity : Altered	Date & Time : 10-Mar-22 15:30
Username : Admin		Username : Clinton	
Particulars	Value	Particulars	Value
Date	15-Apr-21	Date	16-Apr-21
Bill of Lading Date		Bill of Lading Date	16-Apr-21
GST registration type	Regular	GST registration type	Regular
VAT Dealer Type	Regular	VAT Dealer Type	Regular
State Name		State Name	Chandigarh
Voucher type name	Sales	Voucher type name	Sales
Narration	The item needs to be dispatched via Dombey Courier Services.	Narration	The item needs to be dispatched on 16-April -2021 through Dombey Courier Services to be delivered within 5 days.
Country of Residence	India	Country of Residence	India
Party GSTIN		Party GSTIN	04AABCU9603R1ZV
Place of Supply		Place of Supply	Chandigarh
Party name	Circumlocution Brothers Limited	Party name	Circumlocution Brothers Limited
Party ledger name	Circumlocution Brothers Limited	Party ledger name	Circumlocution Brothers Limited
Party Mailing Name	Circumlocution Brothers Limited	Party Mailing Name	Circumlocution Brothers Limited
Party Pincode	160022	Party Pincode	160022
Consignee GSTIN	04AABCU9603R1ZV	Consignee GSTIN	04AABCU9603R1ZV
Consignee Mailing Name	Circumlocution Brothers Limited	Consignee Mailing Name	Circumlocution Brothers Limited
Consignee Pincode	160022	Consignee Pincode	160022
Consignee State Name	Chandigarh	Consignee State Name	Chandigarh
Voucher number	7	Voucher number	8
Base party name	Circumlocution Brothers Limited	Base party name	Circumlocution Brothers Limited

You can view the details of changes made in the selected version of the transaction as compared to its previous version.

Tally Prime highlights the changes made in the transaction as compared to its previous version in red text.

Similarly, you can drill down to any version and view the comparison between the version and its previous one.

Note: you will not be able to drill down on the Resaved version as there are no data of changes between the versions.

To know more about the report, refer to Differences Between Edit Log Versions.

2. Configure the report to compare the versions, as needed.
 - a. Press **F12** (Configure).
 - b. **Show altered values only: Yes.**

Subsequently, only the values that you have changed in the transaction will be highlighted in red text.

For instance, if you had changed Party A/c, Rate of a Stock Item, Date, and others, then you will be able to view it.

Set it as **No**, if you do not want to view those values.

- c. **Show configuration-based value (such as Yes/No, or change from blank to Not Applicable/Primary): Yes.**

Subsequently, you will be able to view the difference in the configurations of both the versions.

For instance, If you had changed values of fields which is enabled by the F12 configurations of the voucher, then you will be able to view it.

Set it as **No**, if you do not want to view the difference in the configurations of both the versions.

- d. **Show internal fields updated by the application: No.**

As a result of alteration, a few internal fields get updated in the application.

Set is as **Yes** only if you want to view such fields in the report.

Configuration

Show altered values only : **Yes**

Show configuration-based values (such as Yes/No, or change from blank to Not Applicable/Primary) : **Yes**

Show internal fields updated by the application : **No**

- e. After configuring as shown above, a sample report appears as shown below.

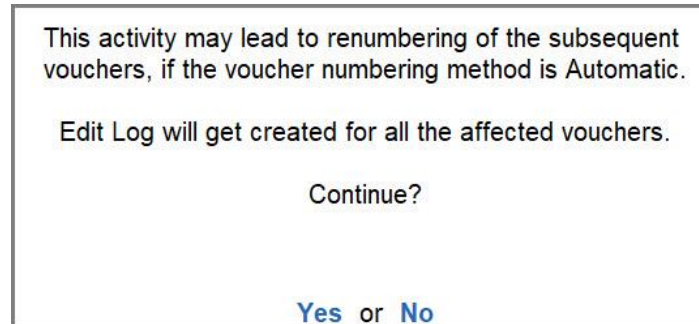
Differences Between Edit Log Versions			
Version : 5		Version : 6	
Activity : Resaved (No changes)	Date & Time : 10-Mar-22 9:34	Activity : Altered	Date & Time : 10-Mar-22 15:30
Username : Admin		Username : Clinton	
Particulars	Value	Particulars	Value
Date	15-Apr-21	Date	16-Apr-21
Bill of Lading Date		Bill of Lading Date	16-Apr-21
State Name		State Name	Chandigarh
Narration	The item needs to be dispatched via Dombey Courier Services.	Narration	The item needs to be dispatched on 16-April -2021 through Dombey Courier Services to be delivered within 5 days.
Party GSTIN		Party GSTIN	04AABCU9603R1ZV
Place of Supply		Place of Supply	Chandigarh
Voucher number	7	Voucher number	8
Bill of Lading Number		Bill of Lading Number	248672
Carrier Name \ Agent Name		Carrier Name \ Agent Name	Dombey Courier Services
Shipped by		Shipped by	Truck
Ship Document Number		Ship Document Number	DC-2802
Final Destination		Final Destination	Kolkata
Motor Vehicle No		Motor Vehicle No	KA-8800
Effective Date	15-Apr-21	Effective Date	16-Apr-21
Address	Chandigarh	Address	104-A, Dhillion Complex Sector-22 Near Nirmaan Cinema Chandigarh

Impact of Re-numbering Voucher Number

If the method of voucher numbering is set as Automatic or Multi-user Auto in a particular Voucher Type, then a few activities such as deleting the voucher or changing the date will create a log for the subsequent vouchers.

Impact of Deleting a voucher

When you delete a voucher, the following message appears.

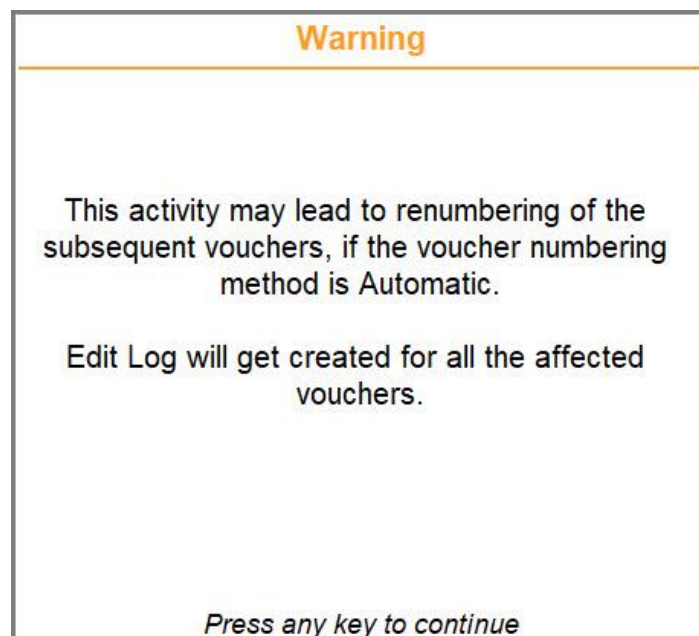


Once you delete a voucher, the voucher number of the subsequent vouchers change because of which a log gets created for those vouchers too.

To view the impact of adding, inserting, or duplicating a transaction, refer to **Add, Insert, or Duplicate a Transaction.**

Impact of Other Activities

When you change the date of a voucher, Tally Prime displays a message.



If you change the date of a voucher, its voucher number changes. Therefore, the voucher number of the subsequent vouchers also change.

The change in voucher number leads to the creation of log for those vouchers.

Other activities that can lead to creation of log for affected vouchers due to voucher renumbering are listed below.

1. Making a voucher Optional
2. Making an Optional voucher a regular one
3. Changing the voucher type of a voucher
4. Creating a back-dated transaction

Note: The message is displayed only when you accept the voucher by pressing **Enter** on the total amount.

2.5 ACCOUNT INVOICE TRANSACTION

If you are accounts savvy, you can record the same payment transaction using a journal voucher in Tally Prime. Use the following steps for the same.

1. **Gateway of Tally > Vouchers > press F7 (Journal).**
Alternatively, **AMTG (Go to) > Create Voucher > press F7 (Journal).**
2. If you want to change the voucher date, press **F2 (Date).**
3. Select by/Dr (Debit) side of the transaction.
 - a. In by, select the expense ledger. For example, Rent.
As in other transactions, you can create the ledger on the fly by pressing **Baltic**. Alternatively, press **AMTG (Go To) > Create Master** type or select **Ledger >** and press **Enter**.
By default, in a journal voucher, you need to first specify the By (debit side).
 - b. In Debit, specify the rent amount.
2. Select the to/Cr (Credit) side of the transaction.
 - a. In to, select the payment mode. For example, Cash.
To select Cash, an **F12** setting for JV is needed.
As in other transactions, you can create the ledger on the fly by pressing **Baltic**. Alternatively, press **AMTG (Go to) > Create Master >** type or select **Ledger >** and press **Enter**.
 - b. In Credit, specify the amount.

If the amount is not equivalent to the debit amount, you need to select another

Credit ledger.

Accounting Voucher Creation		National Enterprises	
Journal No. 23		1-Aug-2020 Saturday	
Particulars	Debit	Credit	
Dr Rent	4,500.00		
<i>Cur Bal: 7,04,500.00 Dr</i>			
On Account	4,500.00 Dr		
Primary Cost Category			
Primary	4,500.00 Dr		
Cr Cash		4,500.00	
<i>Cur Bal: 2,45,500.00 Dr</i>			
Narration:	4,500.00	4,500.00	
		Accept ?	
		Yes or No	

Provide Narration, if any, and accept the voucher. As always, you can use **Ctrl+E** to accept. Though you can use a journal voucher in Tally Prime to record a payment transaction, the specialised voucher type Payment helps ease the data entry.

In a similar manner, you can use a journal voucher to record any type of accounting transaction. However, Tally Prime has specialised voucher types for specific business transactions like purchase, debit note, sales, credit note, payment, receipt, contra for error-free and easy data entry.

Adjustment Entries Using Journal Vouchers

Though JV can be used for any kind of accounting transaction, it needs good knowledge about accounting principles. JVs are mostly used for adjustment entries. Adjustment entries for finalisation of books.

Journal Vouchers in Day Book

To view entered Journal vouchers, you can go to Day Book. Day Book is a report to view transactions recorded in the Day.

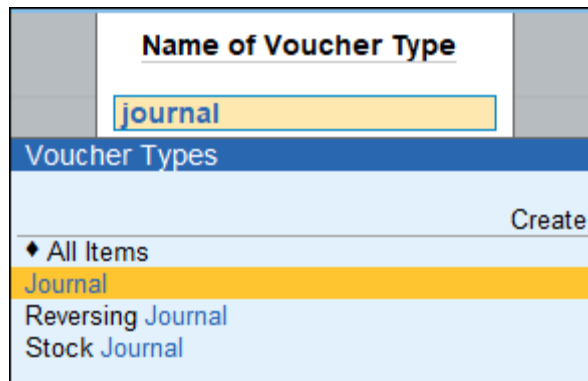
1. **Gateway of Tally > Display More Reports > Day Book.**

Alternatively, **AMTG** (Go To) > type or select **Day Book** > and press **Enter**.

2. If you want to change the date, press **F2** (Period).

3. You can see Journal vouchers along with all other vouchers recorded in the day here.

- If you want to see only particular voucher types press **F4** (Voucher Type) and select **Journal** voucher type to view.



Note: In Day Book you can also see transactions for a date range by pressing **Alt+F2** (Period) and mention from and to date to view transactions of that period.

Day Book		National Enterprises			x	
List of Journal Vouchers				For 1-Aug-2020		
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount	
1-Aug-2020	Rent	Journal	22	50,000.00		
1-Aug-2020	Rent	Journal	23	4,500.00		
1-Aug-2020	VKN Transports	Journal	24		10,000.00	
Total:				54,500.00	10,000.00	

- Ctrl+E** (Basis of Values): You can configure the values in your report for that instance, based on different business needs.

In **Day Book**, you can display the **Forex transactions only**.

Press **Ctrl+E** (Basis of Values) > set **Show Forex transactions only** as **Yes**.

Press **Esc** to view the default values.

Similarly, you can select different Type of Voucher entries.

Press **Ctrl+E** (Basis of Values) > **Type of Voucher entries** >

select **Accounting Entries Only**. Press **Esc** to view the default values.

- Ctrl+E** (Change View): You can display the details of a report in different views with additional details or for a specific period. You can also view other reports related to the current report.

To view the **Post-Dated Bank Transactions** for Day Book,

press **Ctrl+E** (Change View) > type or select **Post-Dated Bank Transactions** > press **Enter**. Press **Esc** to view the default report.

3. **Ctrl+E** (Exception Reports): You can view the exceptions related to the data displayed in the current report by pressing **Ctrl+E** (Exception Reports), without closing the report.

To view the **Post-Dated Voucher** for Day Book, press **Ctrl+E** (Exception Reports) > type or select **Post-Dated Voucher** > and press **Enter**.

Press **Esc** to view the default report.

4. You can also use **Alt+F12** (Range) function to filter for journal vouchers in Day Book. The range filters selected to view only journal vouchers appears as shown.

Range of Information in Report
(Filter to view only those lines that satisfy the below conditions)

Voucher	having Voucher Number	containing	<input style="width: 90%;" type="text"/>
----------------	------------------------------	------------	--

Journal Register

Journal register displays all the Journal vouchers recorded for each month. You can view this report in browser.

1. **Gateway of Tally > Display More Reports > Account Books > Journal Register.**

Alternatively, press **AMTG**(Go To) > type or select **Journal Register** > and press **Enter**.

The **Journal Register** appears as shown below:

Journal Register		National Enterprises	
Particulars	Journal National Enterprises 1-Apr-2020 to 31-Mar-2021		
	Transactions		
	Total Vouchers	(cancelled)	
April	9		
May	5		
June	3		
July	4		
August	7		
September	3		
October	4		
November	4		
December	3		
January	4		
February	3		
March	4		
Grand Total	53		

2. Select the required month and press **Enter**.
3. Press **F8** (Columnar) and set the options as required, to view the journal columnar register. Set the options **Show voucher reference number** and **Show voucher reference date** as **Yes** to view these details in separate columns.

Accept the screen. As always, you can press **Ctrl+E** to save.

Company: National Enterprises
for: **Journal**

Show party's address : **No**
 Show voucher type : **Yes**
 Show voucher number : **Yes**
 Show voucher reference number : **Yes**
 Show voucher reference date : **Yes**
 Show party's tax registration number : **No**
 Show service tax registration number : **No**
 Show PAN : **No**
 Show CST number : **No**
 Show voucher narration : **No**
 Show quantity details : **No**

Show item value : **Yes**
 Show ledger amounts with Dr/Cr : **Yes**

Type of Column	Name of Account

4. The columnar Voucher Register of journal vouchers appears as shown:

List of All Journal Vouchers							1-Mar-2021 to 31-Mar-2021		
Date	Particulars	Voucher Type	Voucher No.	Voucher Ref. No.	Voucher Ref. Date	Value	Gross Total	Rent	Printing & Stationary
1-Mar-2021	BOB Savings A/c	Journal	50			50,000.00 Cr	50,000.00 Dr		1 ▶
15-Mar-2021	BOB Savings A/c	Journal	51			4,500.00 Cr			4,500.00 Dr
25-Mar-2021	BOB Savings A/c	Journal	52			2,350.00 Cr			
31-Mar-2021	Mar Teck Park	Journal	53			1,00,000.00 Cr	1,00,000.00 Dr		
<i>Grand Total</i>							1,56,850.00 Cr	1,50,000.00 Dr	4,500.00 Dr

5. To change voucher type press **F4** (Voucher Type) at the voucher register screen and select the required voucher type.

Purchase

Tally Prime provides specialised accounting voucher types for purchase-related transactions:

- Purchase
- Payment
- Purchase return

Apart from these, there are specialised voucher types for the inventory transactions – Receipt Note and Rejection Out to record the inventory changes that are part of the purchase cycle.

One more voucher type is involved in purchase cycle – Purchase orders.

To know more about complete purchase cycle click [Purchase Process](#)

Sales

Tally Prime provides specialised accounting voucher types for sales-related transactions:

- Sales
- Receipt
- Sales return

Apart from these, there are specialised voucher types for the inventory transactions – Delivery Note and Rejection in to record the inventory changes that are part of the sales cycle. One more voucher type is involved in the sales cycle – Sales order

Payments

Recording Payment transactions in Tally Prime follow a simple pattern. You can record a transaction with the following steps. A payment transaction for Rent expenses is used for illustration.

1. **Gateway of Tally > Vouchers > press F5 (Payment).**

Alternatively, **AMTG (Go to) > Create Voucher > press F5 (Payment).**

2. If you want to change the voucher date, press F2 (Date).

3. Select the mode of payment.

4. In **Account**, select Cash, which is already available.

When you create a Company in Tally Prime, the system creates two ledgers by default – Cash and Profit & Loss A/c.

5. Select the ledger for which you are making the payment and specify the amount. For example, Rent.

6. Under **Particulars**, you need to select expense ledger for which you are making this payment.

In case the ledger is not available, press **Baltic** to create Ledger on the fly.

In **Ledger Creation (Secondary)** screen, give ledger name Rent and select

the group Indirect Expense in the **Under** field.

In Tally Prime, you will find patterns to do certain tasks, and these patterns are consistent across the product. For example, when recording a transaction, you can press **Baltic** to create a ledger, without leaving the voucher. This pattern works across the product. Anywhere in the product, in a ledger selection field, press **Baltic** to create it.

7. Under **Amount**, specify the expense amount.

Accounting Voucher Creation		National Enterprises	
Payment	No. 19	1-Aug-2020 Saturday	
Account	: Cash		
Current balance:	2,30,500.00 Dr		
Particulars		Amount	
Rent		15,000.00	
Cur Bal: 7,19,500.00 Dr			
On Account	15,000.00 Dr		
Narration:		15,000.00	
		Accept ?	
		Yes or No	

8. Provide Narration, if any, and accept the voucher. As always, you can use **Ctrl+E** to accept.

Payment for purchases can also be recorded similarly. For detail explanation on how to record payment for purchases please refer to Payment for Purchase <hyperlink>

For more details, refer to Payments and Receipts.

Receipts

Recording Payment transactions in Tally Prime follow a simple pattern. You can record a transaction with the following steps. A receipt transaction for Commission Received income is used for illustration.

1. **Gateway of Tally > Vouchers > press F6 (Receipt).**
Alternatively, **AMTG (Go to) > Create Voucher > press F6 (Receipt).**
2. If you want to change the voucher date, press **F2 (Date).**

3. Select the mode of receipt.
4. In **Account** field, select **Cash**, which is already available.
When you create a Company in Tally Prime, the system creates two ledgers by default – Cash and Profit & Loss A/c.
5. Select the ledger for which you are making the receipt and specify the amount. For example, Commission Received.
6. Under **Particulars**, select income ledger for which you are making this receipt.

In case the ledger is not available, press **Baltic** to create Ledger on fly. In **Ledger Creation (Secondary)** screen, give ledger name Commission Received and select Indirect Income in the **Under** field. In Tally Prime, you will find patterns to do certain tasks, and these patterns are consistent across the product. For example, when recording a transaction, press **Baltic** to create a ledger, without leaving the voucher. This pattern works across the product. Anywhere in the product, in ledger selection field, press **Baltic** to create it.

7. Under **Amount**, specify the commission amount.

Accounting Voucher Creation		National Enterprises	
Receipt No. 25		2-Aug-2020 Sunday	
Account : Cash			
Current balance: 2,55,500.00 Dr			
Particulars		Amount	
Commission Received		25,000.00	
Cur Bal: 25,000.00 Cr			
On Account	25,000.00 Cr		
Edible			
Basic Edible	25,000.00 Cr		
Narration:		25,000.00	
		Accept ?	
		Yes or No	

8. Provide Narration, if any, and accept the voucher. As always, you can use **Ctrl+E** to accept.

Receipt against sales can also be recorded similarly. For detail explanation

on how to record receipts against sales please refer to Receipt of Money. As in the case of other voucher types, you can mark a receipt voucher as optional and post-dated.

For more details, refer to Payments and Receipts.

Contra

Fund transfers within different accounts of your company, such as transfer from one bank account to another, deposit of cash to bank account, cash withdrawals from ATMs or, withdrawals from banks using Cheque or DD, can be recorded using Contra Voucher in Tally Prime. Such fund transfers from one account to the other – say Cash A/c to Bank A/c or vice versa – appear on the same side of the company's balance sheet, and do not impact your company books. This does not include transferring money to any third-party account as part of a payment. Keeping a record of the contra entries helps to track internal fund transfers done month-wise or voucher-wise, for different business needs. You can get a periodic view of the contra entries to have a better understanding of the fund transfers from one account to the other using Contra Register in Tally Prime.

In this section

- Record Transfer of Funds Within Your Accounts
- Contra Voucher in Single-Entry Mode
- Contra Voucher in Double-Entry Mode

Record Transfer of Funds Within Your Accounts

When you record transfer of money to the bank account, Tally Prime internally keeps a record of such deposits. You can print these deposit slips, as needed.

- **Gateway of Tally > Vouchers > press F4 (Contra).**

Alternatively, press **AMTG(Go To) > Create Voucher > press F4 (Contra).**

You can use single entry or double entry mode of data entry to record contra vouchers. Single entry mode helps you in faster data entry and allows multiple credits against a single debit. The double entry mode gives you the flexibility of multiple debits and multiple credits in a single transaction.

Record Contra Voucher in Single-Entry Mode

1. Debit the destination account and credit the source account. For example, if you are withdrawing cash from your bank's ATM, the Cash ledger should be debited and bank ledger should be credited.
2. Select the ledger account that you want to debit in the Account field.

- Under **Particulars**, select the account that you want to credit and enter the amount. You can deposit money from more than one account to a single destination account.

As in other transactions, you can create the ledger on the fly by pressing **Baltic**. Alternatively, press **AMTG (Go to) > Create Master>** type or select **Ledger>** and press **Enter**.

- Specify the bank, cheque, or cash details, as required.
 - For banks and cheques, you can specify the details in the **Bank Allocations** screen.
 - For cash, you can specify the denomination details in the **Bank Allocations > Cash Denominations** screen.

A sample image is shown below:

DBS Bank A/c		
Denominations For: 25,500.00		
Denominations		Amount
2000 X	10	20,000.00
1000 X		
500 X	10	5,000.00
200 X		
100 X		
50 X	10	500.00
20 X		
10 X		
5 X		
2 X		
1 X		
Others		
Total		25,500.00
Difference		

What you see on the screen can vary based on your choices. Press F12 (Configure) to

change the options and F11 (Features) to enable or disable features.

Accounting Voucher Creation National Enterprises

Contra No. 1 2-Aug-2020 Sunday

Account : Cash
Current balance: 2,81,000.00 Dr

Particulars	Amount
DBS Bank A/c Cur Bal: 1,25,735.20 Dr	25,500.00

Narration:

25,500.00
Accept ?
Yes or No

5. Provide Narration, if any, and accept the voucher. As always, you can use **Ctrl+E** to accept.

Record Contra Voucher in Double-Entry Mode

1. Press **Ctrl+E** (Change Mode) to select the Double Entry mode.
2. Debit the destination account and credit the source account. For example, if you are withdrawing cash from your bank's ATM, the cash ledger should be debited and bank ledger should be credited.
3. Under **Particulars** in the to field, select the source ledger account that you want to Credit.
4. In the By field, select the destination ledger account that you want to Debit. As in other transactions, you can create the ledger on the fly by pressing **Baltic**. Alternatively, press **AMTG** (Go To) > **Create Master**> type or select **Ledger**> and press **Enter**.

A sample image is shown below:

Accounting Voucher Creation		National Enterprises	
Contra No. 2		3-Aug-2020 Monday	
Particulars	Debit	Credit	
Cr DBS Bank A/c <i>Cur Bal: 89,735.20 Dr</i>		36,000.00	
Dr Cash <i>Cur Bal: 3,17,000.00 Dr</i>	36,000.00		
Narration:		36,000.00	36,000.00

Accept ?
Yes or No

What you see on the screen can vary based on your choices. Press F12 (Configure) to change the options and F11 (Features) to enable or disable features.

5. Provide Narration, if any, and accept the voucher. As always, you can use **Ctrl+E** to accept.

In case you have received payment in a different currency, say in Dollars, and now you want to deposit this amount to your company's bank account. You can create currency master and record the foreign currency amount by prefixing the currency symbol in the Amount field.

As in other vouchers, you can define the current rates of exchange if needed while recording the Contra voucher.

As in any other vouchers, you can create the number series for the contra vouchers, as you need for your reference.

Note: If you deposit cheques in the bank for internal money transfer and collect the deposit slip, you can track such deposit slips in Tally Prime and print them when needed.

As in the case of other voucher types, you can mark a contra voucher as optional and post-dated.

6. Print Cheque after saving voucher.

Contra Vouchers in Day Book

To view entered Journal vouchers, you can go to Day Book. Day Book is a report to view transactions recorded in the Day.

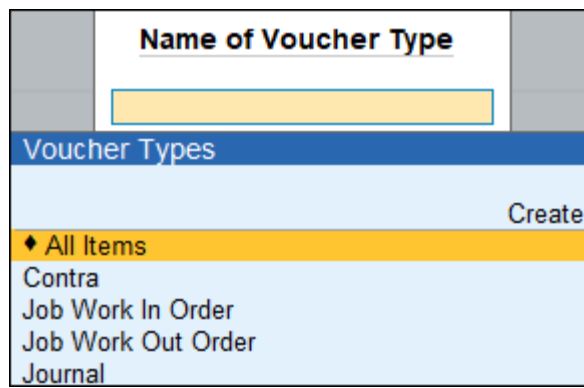
1. **Gateway of Tally > Day Book.**

Alternatively, press **AMTG** (Go To) > type or select **Day Book** > and press **Enter**.

2. If you want to change the date, press **F2** (Period).

3. You can see Contra vouchers along with all other vouchers recorded in the day here.

4. If you want to see only particular voucher types press **F4** (Voucher Type) and select Contra voucher type to view.



Note: In Day Book you can also see transactions for a date range by pressing **Alt+F2** (Period) and mention from and to date to view transactions of that period.

Day Book					
National Enterprises					1-Apr-2020 to 31-Mar-2021
List of Contra Vouchers					
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
2-Aug-2020	DBS Bank A/c	Contra	1		25,500.00
3-Aug-2020	DBS Bank A/c	Contra	2		36,000.00
3-Aug-2020	DBS Bank A/c	Contra	3		2,50,003.00
Total:					3,11,503.00

5. **Ctrl+E** (Basis of Values): You can configure the values in your report for that instance, based on different business needs.

In **Day Book**, you can display the **Forex transactions only**.

Press **Ctrl+E** (Basis of Values) > set **Show Forex transactions only** as **Yes**.

Press **Esc** to view the default values.

Similarly, you can select different Type of Voucher entries.

Press **Ctrl+E** (Basis of Values) > **Type of Voucher entries** >

select **Accounting Entries Only**. Press **Esc** to view the default values.

6. **Ctrl+E** (Change View): You can display the details of a report in different views with additional details or for a specific period. You can also view other reports related to the current report.

To view the **Post-Dated Bank Transactions** for Day Book,

press **Ctrl+E** (Change View) > type or select **Post-Dated Bank**

Transactions > press **Enter**. Press **Esc** to view the default report.

7. **Ctrl+E** (Exception Reports): You can view the exceptions related to the data displayed in the current report by pressing **Ctrl+E** (Exception Reports), without closing the report.

To view the **Post-Dated Voucher** for Day Book, press **Ctrl+E** (Exception Reports) > type or select **Post-Dated Voucher** > and press **Enter**.

Press **Esc** to view the default report.

8. You can also use **Alt+F12** (Range) function to filter for Contra vouchers in Day Book. The range filters selected to view only Contra vouchers appears as shown.

Range of Information in Report			
<i>(Filter to view only those lines that satisfy the below conditions)</i>			
Voucher	having Voucher Number	containing	<input type="text"/>

Contra Register

If you record the transfer of funds between your company accounts, you will need to keep a track of all such transfers periodically. By default, Contra Register shows the number of contra vouchers recorded month-wise.

You can alter details.

1. **Gateway of Tally > Display More Reports > Account Books > Contra Register.**

Alternatively, press **AMTG** (Go To) > type or select **Contra Register** > and press **Enter**.

2. Press **F6** (Quarterly) to get a quarterly view of the contra vouchers.
3. Press **Enter** on the selected period to view the Voucher Register report. All the contra vouchers recorded in that period are displayed in this report.

Voucher Register		National Enterprises		1-Apr-2020 to 31-Mar-2021	
List of All Contra Vouchers					
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
2-Aug-2020	DBS Bank A/c	Contra	1	25,500.00	
3-Aug-2020	DBS Bank A/c	Contra	2	36,000.00	
3-Aug-2020	DBS Bank A/c	Contra	3	2,50,003.00	
Total:					3,11,503.00

What you see on the screen can vary based on your choices.

Press **F12** (Configure) to change the options and **F11** (Features) to enable or disable features. Alternatively, press **Ctrl+E** (More Details) to enter any of the values without activating the options *in* **F12** (Configure).

4. **Ctrl+E** (Change View): You can display the details of a report in different views with additional details or for a specific period. You can also view other reports related to the current report.

To view the **Monthly** basis, press **Ctrl+E** (Change View) > type or

select **Monthly** > press **Enter**. Press **Esc** to view the default report.

Similarly, you can select Daily, Weekly wise view of report.

5. **Ctrl+E** (Exception Reports): You can view the exceptions related to the data displayed in the current report by pressing **Ctrl+E** (Exception Reports), without closing the report.

To view the **Memorandum Register**, press **Ctrl+E** (Exception Reports) > type or select **Memorandum Register**> and press **Enter**. Press **Esc** to view the default report.

6. You can also use **Alt+F12** (Range) function to filter for Contra register. The range filters selected to view only contra register vouchers appears as shown.

Other Reports Showing Contra Entries

- Cash/Bank Summary
- Balance Sheet

Data Representation in Reports

As in the case of any other voucher, you can do the following from any voucher report (**Day Book, Ledger Vouchers, Sales Register, and so on**).

- Press **Enter** on a voucher for alteration.
- Press **Alt+Enter** to open a voucher in display mode.
- Select a voucher and press **Alt+2** to duplicate.
- Select a voucher and press **Alta** to add a voucher on the same date as the last entered voucher for the day.
- Select a voucher and press **Altair** to insert a voucher above the selected voucher.
- Select a voucher and press **Halted** to delete a voucher. You can select multiple vouchers by using arrow keys to navigate and pressing Space Bar for selection.
- Select a voucher and press **Caltex** to cancel.

Memorandum Vouchers

Memorandum Vouchers are those vouchers which do not impact your books of accounts.

Used when the actual purpose of an expense is not sure and can be converted to any voucher type. Will not impact the accounts unless converted to a normal voucher type. The impact of a memorandum voucher can be seen by creating scenarios.

Making suspense payments

Consider that a company gives its employees cash to buy office supplies, the exact nature and cost of which are unknown. For this transaction you can enter a voucher for the petty cash advance, a voucher to record the actual expenditure details when they are known, and another voucher to record the return of surplus cash.

However, a simpler way of doing it is to enter a Memo voucher when the cash is advanced, and then turn it into a Payment voucher for the actual amount spent, when the details are known.

For example, the Company pays its employee Rs. 1000 as petty cash advance for Office Expenses.

1. **Gateway of Tally > Vouchers > press F10 (Other vouchers) > type or select Memorandum Voucher.**

Alternatively **AMTG (Go to) > Create Vouchers > press F10 (Other vouchers) > type or select Memorandum Voucher.**

In case the voucher is inactive, you will be prompted to activate the Memorandum voucher type. Select **Yes** or press **Yes** to proceed.

2. If you want to change the voucher date, press **F2 (Date)**.
3. Select the mode of payment.
 - Debit Office Supplies Account.
 - Credit Cash Account.

Accounting Voucher Creation		National Enterprises	
Memorandum No. 3		3-Aug-2020 Monday	
Particulars	Debit	Credit	
Dr Office Supplies <i>Cur Bal: 3,600.00 Dr</i> New Ref 3	3,600.00		
	3,600.00 Dr		
Cr Cash <i>Cur Bal: 5,63,403.00 Dr</i>		3,600.00	
Narration:		3,600.00	3,600.00
		Accept ?	
		Yes or No	

4. Accept the screen. As always, you can press **Ctrl+E** to save.

In Tally Prime, you will find patterns to do certain tasks, and these patterns are consistent across the product. For example, when recording a transaction, press **Baltic** to create a ledger, without leaving the voucher. This pattern works across the product. Anywhere in the product, in ledger selection field, press **Baltic** to create it.

Vouchers not verified at the time of entry

If there is no clarity with the details of a voucher you are entering, you can enter it as a Memo voucher and amend it later when the details are available.

Items given for approval

Generally completed sales are entered into books. In case items are given on approval, use a Memo voucher to track and convert it into a proper Sales voucher. You can cancel/delete the memo voucher if the sale is not made.

Memorandum Voucher Register

1. **Gateway of Tally > Display More Reports > Exception Reports > Memorandum Register.**

Alternatively, press **AMTG** (Go To) > type or select **Memorandum Register** > and press **Enter**.

Voucher Register		National Enterprises		1-Apr-2020 to 31-Mar-2021	
List of All Memorandum Vouchers					
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
1-Apr-2020	Office Supply Account	Memorandum	1	3,000.00	
1-Apr-2020	Sales	Memorandum	2	50,000.00	
3-Aug-2020	Office Supplies	Memorandum	3	3,600.00	
Total:				56,600.00	

Note: You can also view memorandum vouchers from the Day Book.

You can alter and convert a Memo voucher into a regular voucher when you decide to consider the entry into your books. Use Scenarios to see the effect of Memo entries on reports and statements.

Memorandum Vouchers in Day Book

To view entered Memorandum vouchers, you can go to Day Book. Day Book is a report to view transactions recorded in the Day.

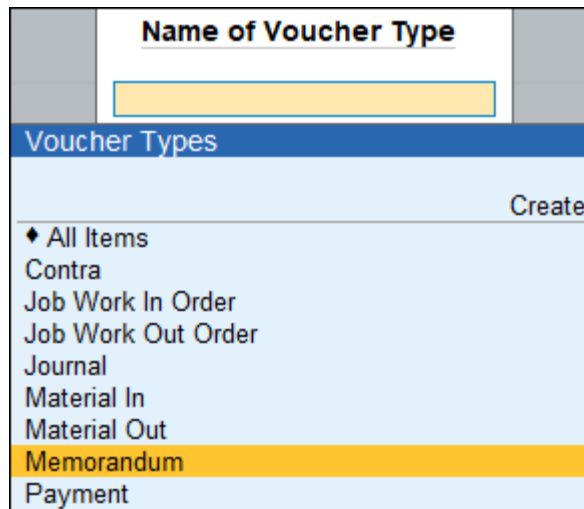
- Gateway of Tally > Day Book.**

Alternatively, press **AMTG** (Go To) > type or select **Day Book**> and press **Enter**.

- If you want to change the date, press **F2** (Period).

You can see Memorandum vouchers along with all other vouchers recorded in the day here.

- If you want to see only particular voucher types press **F4** (Voucher Type) and select Memorandum voucher type to view.



Note: In Day Book you can also see transactions for a date range by pressing Alt+F2 (Period) and mention from and to date to view transactions of that period.

Date		Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
1-Apr-2020	Office Supply Account	Memorandum	1	3,000.00		
1-Apr-2020	Sales	Memorandum	2	50,000.00		
3-Aug-2020	Office Supplies	Memorandum	3	3,600.00		

- Ctrl+E** (Basis of Values): You can configure the values in your report for that instance, based on different business needs.
 - In **Day Book**, you can display the **Forex transactions only**. Press **Ctrl+E** (Basis of Values) > set **Show Forex transactions only** as **Yes**. Press **Esc** to view the default values.
- Ctrl+E** (Change View): You can display the details of a report in different views with additional details or for a specific period. You can also view other reports related to the current report.

- To view the **Post-Dated Bank Transactions** for Day Book, press **Ctrl+E** (Change View) > type or select **Post-Dated Bank Transactions** > press **Enter**. Press **Esc** to view the default report.
6. **Ctrl+E** (Exception Reports): You can view the exceptions related to the data displayed in the current report by pressing **Ctrl+E** (Exception Reports), without closing the report.
- To view the **Post-Dated Voucher** for Day Book, press **Ctrl+E** (Exception Reports) > type or select **Post-Dated Voucher** > and press **Enter**. Press **Esc** to view the default report.
7. You can also use **Alt+F12** (Range) function to filter for Memorandum vouchers in Day Book. The range filters selected to view only Memorandum vouchers appears as shown.

Exception Reports for Memorandum Vouchers

- Gateway of Tally > Display More Reports > Exception Reports > Memorandum Register.**

Alternatively, press **AMTG** (Go To) > type or select **Memorandum Register** > and press **Enter**.

Voucher Register		National Enterprises			
List of All Memorandum Vouchers					1-Apr-2020 to 31-Mar-2021
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
1-Apr-2020	Office Supply Account	Memorandum	1	3,000.00	
1-Apr-2020	Sales	Memorandum	2	50,000.00	
3-Aug-2020	Office Supplies	Memorandum	3	3,600.00	
Total:				56,600.00	

You can also view memorandum vouchers from the Day Book. You can alter and convert a Memo voucher into a regular voucher when you decide to consider the entry into your books.

Creation of Scenarios for Memorandum Vouchers

Scenario management is a management tool that enables projecting accounts and inventory related information by including certain types of Vouchers without affecting the source data. It is also a useful forecasting tool i.e. you can forecast the expenses using provisional vouchers such as Memorandum Voucher.

Create a Scenario

1. **Gateway of Tally > Create> Scenario.**

Alternatively, press **AMTG (Go To) > Create Master >** type or select **Scenario>** and press **Enter.**

2. Enter a suitable scenario Name.

3. Enable the option **Include actuals.**

4. Set **Exclude Forex Gains/Losses Calculations** to **Yes** if you do not want the Unadjusted Forex Gain/Loss element to reflect in the scenario.

5. Set **Exclude Inventory Tracking Calculations** to **Yes** if you do not want the Sales/Purchase Bills Pending element to reflect in the scenario.

Scenario Creation

Name : **Provisional**

Include actuals : **Yes**
Exclude forex gain/loss calculations : **Yes**

Include:

Memorandum

Exclude:

◆ End of List

Accept ?
Yes or No

6. Select the vouchers to **Include**. These vouchers will affect the scenario created.
7. Select the vouchers to **Exclude**. These vouchers will not affect the scenario created.
8. Accept the screen. As always, you can press **Ctrl+E** to save.

Use Memorandum Voucher in Scenarios

Recording transactions in Tally Prime follow a simple pattern. You can record a transaction with the following steps. A Company pays its employee Rs. 37000 as cash advance for Office Expenses is used for illustration.

1. **Gateway of Tally > Vouchers > press F10 (Other vouchers) > type or select Memorandum Voucher.**
Alternatively **AMTG (Go to) > Create Voucher > press F10 (Other**

You can use scenarios in statements (not registers) to compare the actuals with the provisional details by using the Baltic (New Column) button.

1. **Gateway of Tally > Balance Sheet.**

Alternatively, press **AMTG (Go To) > type or select Balance Sheet > and press Enter.**

2. Press **Baltic (New Column).**

3. Select the scenario required. The **Balance Sheet** with the scenario appears as shown below:

Balance Sheet			National Enterprises		
	National Enterprises Actuals as at 31-Mar-2021		National Enterprises Provisional Variance as at 31-Mar-2021		
Sources of Funds:					
Capital Account	5,95,00,000.00				
Loans (Liability)	58,69,318.00				
Current Liabilities	(-)10,68,318.71		9,999.99		
Branch / Divisions					
Suspense A/c					
Profit & Loss A/c	(-)38,93,423.14		93,600.00		
Opening Balance					
Current Period	(-)38,93,423.14		(-)93,600.00		
Unadjusted Forex Gain/Loss	9,999.99				
Total	6,04,17,576.14		(-)83,600.01		
Application of Funds:					
Fixed Assets	5,70,50,000.00				
Investments	50,000.00				
Current Assets	41,92,576.14		93,600.00		
Misc. Expenses (ASSET)					
Difference in opening balances	(-)8,75,000.00				
Total	6,04,17,576.14		93,600.00		

Reversing Journals

Reversing Journals are those vouchers which do not impact your books of accounts.

Similar to the optional voucher. Has an “up to” date. To check the impact on account for certain expenses until the actual voucher is passed. The impact of a Reversing Journal can be seen by creating scenarios.

Tally Prime follow a simple pattern to record the transactions. You can record a transaction with the following steps.

Illustration, on 30th June you want to view the Balance Sheet as of today but June salaries are not paid until the first week of July. Thus, there is a large liability, which would not be reflected in the Balance Sheet. To overcome this, you enter a Reversing Journal Voucher dated 30th June, which would look like this:

1. **Gateway of Tally > Vouchers > press F10 (Other vouchers) > type or select Reversing Journals.**

Alternatively, **AMTG (Go to) > Create Voucher > press F10 (Other vouchers) > type or select Reversing Journal.**

In case the voucher is inactive, you will be prompted to activate the Reversing Journal voucher type. Select **Yes** or press **Y** to proceed.

2. If you want to change the voucher date, press **F2 (Date)**.
3. Select by/Dr (Debit) side of the transaction.
 - a. In By, select the Salary Account.

As in other transactions, you can create the ledger on the fly by pressing **Baltic**. Alternatively, press **AMTG (Go to) >Create Master > type or select Ledger>** and press **Enter**.

- b. In Debit, specify the amount.
4. Select the to/Cr (Credit) side of the transaction.
 - a. In To, select the Provision for Salary Account.

As in other transactions, you can create the ledger on the fly by pressing **Baltic**. Alternatively, press **AMTG (Go to) >Create Master> type or select Ledger>** and press **Enter**.

- b. In Credit, specify the amount.
5. In the **Applicable Upton** field specify the date.

This is the date up to which the Reversing Journal is available for inclusion in a

scenario report.

Accounting Voucher Creation		National Enterprises	
Reversing Journal No. 2		30-Jun-2020 Tuesday	
Particulars	Debit	Credit	
Dr Salary Account <i>Cur Bal: 1,50,000.00 Dr</i> New Ref Rev-0013	1,50,000.00	1,50,000.00 Dr	
Cr Provision for Salary Account <i>Cur Bal: 1,50,000.00 Cr</i>		1,50,000.00	
Applicable Upto : 30-Jun-2020			
Narration:		1,50,000.00	1,50,000.00
		Accept ?	
		Yes or No	

5. Provide Narration, if any, and accept the voucher. As always, you can use **Ctrl+E** to accept.

Applicable up to

This is the date up to which the Reversing Journal is available for inclusion in a scenario report. The Reversing Journal can be created as of a particular date and made Applicable up to a different date. For example, the depreciation entry could be dated October 1, 2008 and applicable up to October 31, 2008. The journal will be available for inclusion in a scenario for any day from October 1, 2008 till October 31, 2008. It will not exist before 1st Oct and will be reversed automatically after 31st Oct and consequently unavailable.

Reversing Journals in Day Book

To view entered Reversing Journals vouchers, you can go to Day Book. Day Book is a report to view transactions recorded in the Day.

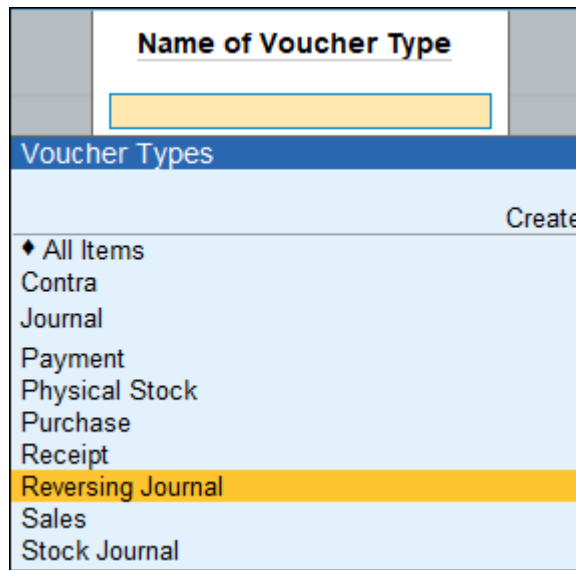
1. Gateway of Tally > Day Book.

Alternatively, **AMTG**(Go To) > type or select **Day Book**> and press **Enter**.

2. If you want to change the date, press **F2** (Period).

You can see Reversing Journals vouchers along with all other vouchers recorded in the day here.

3. If you want to see only particular voucher types press **F4** (Voucher Type) and select **Reversing Journals** voucher type to view.



Note: In Day Book you can also see transactions for a date range by pressing **Alt+F2** (Period) and mention from and to date to view transactions of that period.

Day Book National Enterprises					
List of Reversing Journal Vouchers				1-Apr-2020 to 31-Mar-2021	
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
29-May-2020	Alfa Provisions	Reversing Journal	1	25,000.00	
30-Jun-2020	Salary Account	Reversing Journal	2	1,50,000.00	
29-Sep-2020	Rent	Reversing Journal	3	50,000.00	

4. **Ctrl+E** (Basis of Values): You can configure the values in your report for that instance, based on different business needs.

In **Day Book**, you can display the **Forex transactions only**.

Press **Ctrl+E** (Basis of Values) > set **Show Forex transactions only** as **Yes**.

Press **Esc** to view the default values.

5. **Ctrl+E** (Change View): You can display the details of a report in different views with additional details or for a specific period. You can also view other reports related to the current report.

To view the **Post-Dated Bank Transactions** for Day Book,

press **Ctrl+E** (Change View) > type or select **Post-Dated Bank**

Transactions > press **Enter**. Press **Esc** to view the default report.

- Ctrl+E** (Exception Reports): You can view the exceptions related to the data displayed in the current report by pressing **Ctrl+E** (Exception Reports), without closing the report.

To view the **Post-Dated Voucher** for Day Book, press **Ctrl+E** (Exception Reports) > type or select **Post-Dated Voucher** > and press **Enter**.

Press **Esc** to view the default report.

- You can also use **Alt+F12** (Range) function to filter for Reversing journal vouchers in Day Book. The range filters selected to view only Reversing journal vouchers appears as shown.

Exception Reports for Reversing Journal

All vouchers are maintained in a Reversing Journal Register. These are not posted to any books of accounts and cannot be included in regular reports. You can view or alter Reversing Journals from the register.

- Gateway of Tally > Display More Reports > Exception Reports > Reversing Journal Register.**

Alternatively, **AMTG** (Go To) > type or select **Reversing Journal Register** > and press **Enter**.

- Select a month to view the **Voucher Register** report.

Voucher Register					
National Enterprises					X
List of All Reversing Journal Vouchers				1-Apr-2020 to 31-Mar-2021	
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
29-May-2020	Alfa Provisions	Reversing Journal	1	25,000.00	
30-Jun-2020	Salary Account	Reversing Journal	2	1,50,000.00	
29-Sep-2020	Rent	Reversing Journal	3	50,000.00	

Creation of Scenarios for Reversing Journal

Reversing Journals are special journals that are automatically reversed after a specified date. They exist only till that date and are effective only when they are included in reports. These are used in interim reporting in the course of the financial year where accruals are to be reported. These accruals are usually short term and are cleared in the subsequent period. However, to get a proper perspective, decision makers require the reports with full impact of all aspects and transactions.

In this section:

- Create a Scenario
- Use Reversing Journal Vouchers in Scenarios
- Use Scenarios in Reports

Create a Scenario

1. **Gateway of Tally > Create > type or select Scenario.**

Alternatively, **AMTG (Go To) > Create Master > type or select Scenario > and press Enter.**

2. Enter a suitable scenario Name.

3. Enable the option **Include actuals**.

4. Set **Exclude Forex Gains/Losses Calculations** to **Yes** if you do not want the Unadjusted Forex Gain/Loss element to reflect in the scenario.

5. Set **Exclude Inventory Tracking Calculations** to **Yes** if you do not want the Sales/Purchase Bills Pending element to reflect in the scenario.

Scenario Creation	
Name	: Provision for Depreciation
Include actuals	: Yes
Exclude forex gain/loss calculations	: Yes
<u>Include:</u>	
Reversing Journal	
<u>Exclude:</u>	
◆ End of List	
Accept ?	
Yes or No	

6. Select the vouchers to **Include**. These vouchers will affect the scenario created.
7. Select the vouchers to **Exclude**. These vouchers will not affect the scenario created.
8. Accept the screen. As always, you can press **Ctrl+E** to save.

Use Reversing Journal Voucher in Scenarios

Recording transactions in Tally Prime follow a simple pattern. You can record a transaction with the following steps. You can account for or providing for depreciation. Since, provision for depreciation is made at the end of the year, you concrete scenarios to include them for monthly reporting or a specific period to give more accurate status or position is used for illustration.

1. **Gateway of Tally > Vouchers > press F10 (Other vouchers) > type or select Reversing Journal.**

Alternatively, **AMTG (Go to) > Create Voucher > press F10 (Other vouchers) > type or select Reversing Journal.**

In case the voucher is inactive, you will be prompted to activate the Reversing Journal voucher type. Select **Yes** or press **Y** to proceed.

- If you want to change the voucher date, press **F2 (Date)**.

2. Select by/Dr (Debit) side of the transaction.

- In By, select the Depreciation.

As in other transactions, you can create the ledger on the fly by pressing **Baltic**. Alternatively, press **AMTG (Go to) > Create Master > type or select Ledger >** and press **Enter**.

- In Debit, specify the amount.

3. Select the to/Cr (Credit) side of the transaction.

- In To, select the Provision for Depreciation.

As in other transactions, you can create the ledger on the fly by pressing **Baltic**. Alternatively, press **AMTG (Go to) > Create Master > type or select Ledger >** and press **Enter**.

a. In Credit, specify the amount.

If the amount is not equivalent to the debit amount, you need to select

another Credit ledger.

Accounting Voucher Creation		National Enterprises	
Reversing Journal No. 3		30-Jun-2020 Tuesday	
Particulars		Debit	Credit
Dr Depreciation		15,000.00	
<i>Cur Bal: 15,000.00 Dr</i>			
On Account	15,000.00 Dr		
Cr Provision on Depreciation			15,000.00
<i>Cur Bal: 15,000.00 Cr</i>			
Applicable Upto : 30-Jun-2020			
Narration:		15,000.00	15,000.00
			Accept ?
			Yes or No

4. Provide Narration, if any, and accept the voucher. As always, you can use **Ctrl+E** to accept.

Use Scenarios in Reports

You can use scenarios in statements (not registers) to compare the actuals with the provisional details by using the Baltic (New Column) button.

1. **Gateway of Tally > Balance Sheet.**

Alternatively, **AMTG (Go to) > type or select Balance Sheet > and press Enter.**

2. Press **Baltic (New Column).**

3. Select the scenario required. The Balance Sheet with the scenario appears as shown below:

Balance Sheet		National Enterprises	
	National Enterprises Actuals as at 31-Mar-2021	National Enterprises Provision for Depreciation as at 31-Mar-2021	
Sources of Funds:			
Capital Account	5,95,00,000.00	5,95,00,000.00	
Reserves & Surplus			
Drawings of Owner	(-)5,18,000.00	(-)5,18,000.00	
Owner's Capital	6,00,18,000.00	6,00,18,000.00	
Loans (Liability)	58,69,318.00	58,69,318.00	
Bank OD A/c	75,000.00	75,000.00	
Secured Loans	60,000.00	60,000.00	
Unsecured Loans			
Bank Loans	57,34,318.00	57,34,318.00	
Current Liabilities	(-)10,68,318.71	(-)10,58,318.72	
Duties & Taxes	6,54,404.63	6,54,404.63	
Provisions	60,000.00	60,000.00	
Sundry Creditors	(-)17,82,723.34	(-)17,72,723.35	
Provision on Depreciation	15,000.00	33,250.00	
Branch / Divisions			
Suspense A/c			
Profit & Loss A/c	(-)38,93,423.14	(-)38,93,423.14	
Opening Balance			
Current Period	(-)38,93,423.14	(-)38,93,423.14	
Unadjusted Forex Gain/Loss	9,999.99		
Total	6,04,17,576.14	6,04,17,576.14	
Application of Funds:			
Fixed Assets	5,65,48,250.00	5,65,48,250.00	
Computer	15,000.00	15,000.00	
Furniture	33,250.00	33,250.00	
Land and Building	5,52,00,000.00	5,52,00,000.00	

Reports with Reversing Journal scenario

Mark Vouchers as Optional

Any voucher in Tally can be marked as Optional by pressing **Ctrl+E** (Optional) during voucher entry or in alteration mode.

Masking voucher as Optional will remove the accounting impact of the transactions from the books of account. Any transaction which is recurring in nature like rent, repayment of loan etc. you can pass all such transaction and mark them as optional. Once the actual date such transaction occurs you can regularise the transaction by opening it and pressing **Ctrl+E** (Regular).

Recording transactions in Tally Prime follow a simple pattern. You can use an illustration on 30th June you want to view the Balance Sheet as of that date, but June rent is not due for payment until the first week of July. This liability is not reflected in the Balance Sheet. To overcome this, enter an Optional Voucher dated 30th June.

Press **Ctrl+E** (Optional) to make the voucher as Optional Voucher.

Accounting Voucher Creation		National Enterprises	
Journal No. 27		15-Aug-2020 Saturday	
Status : <i>Optional</i>			
Particulars		Debit	Credit
Dr Rent Account <i>Cur Bal: 3,00,000.00 Dr</i>		1,00,000.00	
On Account	1,00,000.00 Dr		
Cr Cash <i>Cur Bal: 4,67,003.00 Dr</i>			1,00,000.00
Narration:		1,00,000.00	1,00,000.00
		Accept ? Yes or No	

Pass the following entries:

- Debit – Rent Account
- Credit – Cash/Bank Account

Optional Vouchers Register

- **Gateway of Tally > Display More Reports > Exception Reports > Optional Vouchers.**

Alternatively, **AMTG (Go to) > type or select Optional Vouchers>** and press **Enter**.

You can view them from the Day Book as well.

Creation of Scenarios for Optional

In the Balance Sheet, Optional Vouchers can be viewed with the help of scenario.

The Optional Voucher should be already defined as a Scenario

Note: Use Scenarios to see the effect of Optional voucher entries on reports and statements

Mark Vouchers as Post-Dated

While entering vouchers, you can mark them as post-dated, as a result these vouchers are not updated in the ledgers till the date specified in the voucher. This is useful for entering transactions that take place on a regular basis. For example, if you issue post-dated Cheques towards payment of instalments, you can set up the

payments in advance, and Tally Prime will only update them in the ledgers on the due date.

Mark vouchers Post Dated by pressing **Ctrl+E** (Post-Dated) button from the Button Bar. This button toggles with Current.

Post Dated Payment Voucher entry is displayed as shown:

The screenshot shows the 'Accounting Voucher Creation' window for 'National Enterprises'. The voucher is a 'Payment' of No. 20, dated 15-Aug-2020 (Saturday), with a status of 'Post-Dated'. The account is 'DBS Bank A/c' with a current balance of 1,70,267.80 Cr. The voucher details are as follows:

Particulars	Amount
Magic Works Cur Bal: 10,000.00 Dr	10,000.00

The 'Narration' field is empty. At the bottom right, there is a '10,000.00' value and an 'Accept?' dialog box with 'Yes or No' options.

Post-dated Vouchers Register

All Post-dated vouchers are maintained in a Post-dated Voucher Register.

1. Gateway of Tally > Display More Reports > Exception Reports > Post-Dated Vouchers.

Alternatively, **AMTG** (Go to) > type or select **Post-Dated Vouchers** > and press **Enter**.

The major difference between post-dated vouchers and other Unconventional vouchers are:

- Post-dated Vouchers affect regular books of accounts on the date of the voucher.
- Post-dated vouchers are not available for selection in Scenarios.

Including Post-dated Vouchers in Ledger Vouchers Report

Using the ledger option under the Accounts Book in Tally Prime, you can include post-dated vouchers in the ledger voucher report.

1. **Gateway of Tally > Display More Reports> Account Books > Ledger.**
Alternatively, **AMTG (Go to) > type or select Ledger Voucher > and press Enter.**
2. Select the required Ledger. The **Ledger Vouchers** screen appears.
3. Press **Alt+F8 (Inch Post-dated)** to include the values for post-dated transactions in the report. The voucher number of these transactions will have the prefix (Post-Dated), and the period of the report will automatically include the date of the post-dated transaction.

Ledger Vouchers		National Enterprises		1-Apr-2020 to 31-Mar-2021	
Ledger: Magic Works					
Date	Particulars	Vch Type	Vch No.	Debit	Credit
15-Aug-2020	DBS Bank A/c	Payment	20	10,000.00	
				Opening Balance :	
				Current Total :	10,000.00
				Closing Balance :	10,000.00

Create Voucher Types

Tally Prime has 28 Pre-defined Voucher Types for recording transactions, which uses a voucher type for each transaction type. Apart from default voucher types that Tally Provides, you can create new voucher types to serve your custom needs.

In this section:

- Create of Voucher type
- Alter of Voucher type
- View the pre-defined voucher types

Create of Voucher type

Tally Prime allows to create a new voucher types to serve your custom needs. Illustration, GST Sales, Tax Invoice can be created under Sales Accounts for easier transaction.

- **Gateway of Tally > Create > type or select Voucher types.**

Alternatively, **AMTG (Go to) > Create Master > type or select Voucher Type >** and press **Enter**.

The **Voucher Type Creation** screen appears as shown below:

General		Printing	Name of Class
Name	:	Print voucher after saving	: No
(alias)	:		
Select type of voucher	:		
Abbreviation	:		
Activate this Voucher Type	: Yes		
Method of voucher numbering	:		
Use effective dates for vouchers	: No		
Allow zero-valued transactions	: No		
Make this voucher type as 'Optional' by default:	No		
Allow narration in voucher	: Yes		
Provide narrations for each ledger in voucher:	No		

of Voucher type

A pre-defined voucher type can be altered to customise it. For example, to control their numbers.

- **Gateway of Tally > Alter > Voucher types.**

Alternatively, **AMTG (Go to) > Alter Master > type or select Voucher Type >** and press **Enter**.

The **Voucher Type Alteration** screen appears as shown below:

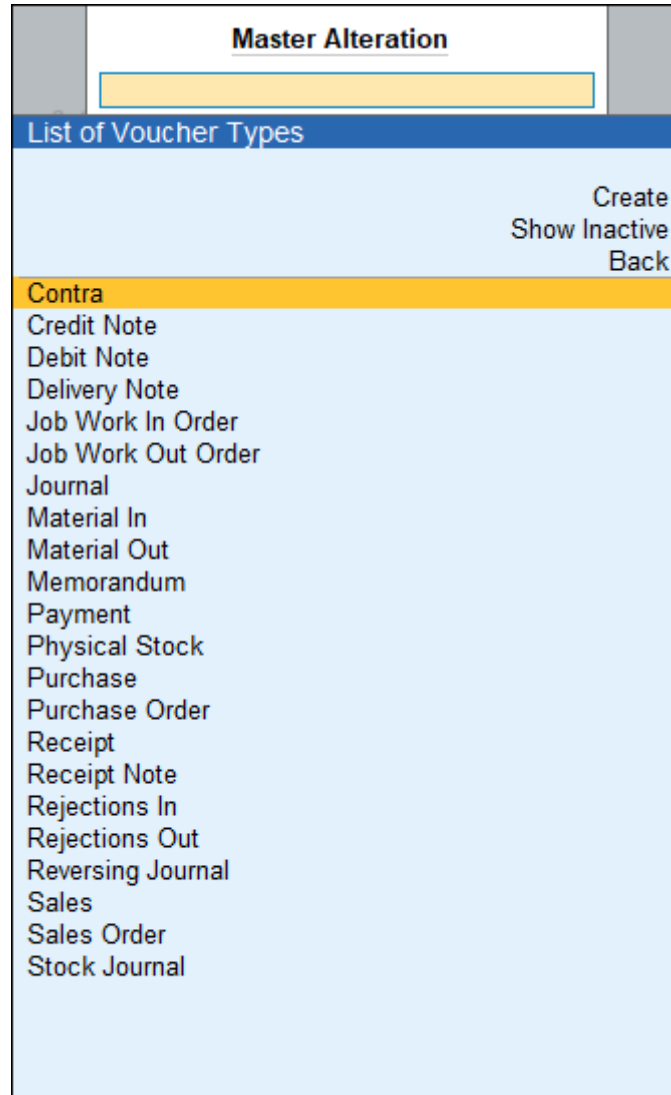
General		Printing	Name of Class
Name	: Sales	Print voucher after saving	: No
(alias)	:		
Select type of voucher	: Sales	Use for POS invoicing	: No
Abbreviation	: Sale	Default title to print	:
Activate this Voucher Type	: Yes	Default bank	: ♦ Not Applicable
Method of voucher numbering	: Automatic	Default jurisdiction	:
Use advanced configuration	: No	Set/alter declaration	: No
Use effective dates for vouchers	: No		
Allow zero-valued transactions	: No		
Make this voucher type as 'Optional' by default:	No		
Allow narration in voucher	: Yes		
Provide narrations for each ledger in voucher:	No		
Enable default accounting allocations	: No		

- View the pre-defined voucher types

- Gateway of Tally > **Charts of Accounts** > type or select **Voucher Types** > and press **Enter**.

Alternatively, **AMTG (Go to)** > type or select **Charts of Accounts** > **Voucher Types** > and press **Enter**.

The List of Voucher Types screen appears as shown below:



Voucher class for voucher types

Voucher classes are templates for voucher types, used Voucher class aids in faster data entry, appropriate allocation of stock item to ledgers, helps eliminate mistakes of wrong ledger selection, and invoice level rounding. You cannot use a voucher class in voucher alteration.

Use Voucher Classes for Sales & Purchases Cycles

A sample voucher class creation for sales transaction is as given below. You can use separate voucher classes for each type of sales for error-free and faster data entry while ensuring the following.

- Selection of appropriate party in each type of sale.
- Usage of specific ledgers for accounting allocation of stock items.
- Inclusion of appropriate tax ledgers in the voucher by default.
- Uniform calculation of additional charges.
- Application of similar invoice level rounding off.

Create Voucher Class for Sales or Purchase

1. **Gateway of Tally > Alter > type or select Voucher Type > Sales > and press Enter.**

Alternatively, **AMTG(Go to) > Alter Master > type or select Voucher Type > Sales > and press Enter.**

2. Enter the Name of Class. If you do not see this option use **F12 (Configure)** to get the option.

Voucher Type Alteration		National Enterprises	
Name : Sales			
(alias) :			
General		Printing	Name of Class
Select type of voucher	: Sales	Print voucher after saving	: No
Abbreviation	: Sale	Use for POS invoicing	: No
Activate this Voucher Type	: Yes	Default title to print	:
Method of voucher numbering	: Automatic	Default bank	: ♦ Not Applicable
Use advanced configuration	: No	Default jurisdiction	:
Use effective dates for vouchers	: No	Set/alter declaration	: No
Allow zero-valued transactions	: No		
Make this voucher type as 'Optional' by default:	No		
Allow narration in voucher	: Yes		
Provide narrations for each ledger in voucher:	No		
Enable default accounting allocations	: No		
			South Sales

3. Identify the parties for which the class can be used.
4. Under **Include these Groups**, select the required group to be made available in Party A/c Name while creating vouchers.
5. Alternatively, you can use **Exclude these Groups** if the number of groups to exclude is lesser.

Class: South Sales	
<i>If you wish to restrict the groups to which this class can be used, specify them here.</i>	
Exclude these Groups	Include these Groups
♦ End of List	South Zone Cash-in-Hand

6. Allocate the accounting ledger for stock items.
7. Select the sales ledger to allocate stock items and set the allocation percentage.
8. You can also select other ledgers along with sales and divide the stock item allocation among the selected ledgers. If tax ledgers need not be shown separately in the voucher, you can include those here.
9. Set **Override using Item Default** to **No** so that for all items the allocation is to the selected ledger.
10. In case you want to use the default allocation in the stock item master for some cases, set **Override using Item Default** to **Yes**.

<i>Default Accounting Allocations for all items in Invoice (except for the items specified below)</i>				
Ledger Name	Percentage %	Rounding Method	Rounding Limit	Override using Item Default ?
Sales	95.238 %	♦ Not Applicable		<i>No</i>
Sales Commission	4.762 %			

11. This screen shows the allocation of items with 5% commission, where the rate includes commission.

Note: The allocation shown is calculated as

 - Sales = $(100/105) * 100 = 95.238$
 - CGST & SGST = $((100/105) * 5)/2 = 4.762$
12. Set the **Additional accounting entries** like tax, transportation charge, loading charge, and invoice rounding off.
13. Select the additional ledgers to be included in the voucher, to avoid selection each time. Include tax ledgers at the end of the list to ensure that tax gets calculated for the other additional ledgers.
14. Select the **Type of Calculation**.
15. If you select as **User Defined Value**, you need to enter the value during voucher entry. For GST ledgers, automatically the **Type of Calculation** is set as GST. In all other cases you need to provide the **Value Basis** for calculation.

16. Set **Remove if Zero** as needed.

<i>Additional Accounting Entries (e.g. Taxes / Other charges) to be added in Invoice</i>					
Ledger Name	Type of Calculation	Value Basis	Rounding Method	Rounding Limit	Remove if Zero ?
Transportation Charges	As Flat Rate	1000 ♦	Not Applicable		Yes
Loading Charges	As User Defined Value				Yes
CGST	GST				Yes
SGST	GST				Yes
Rounding Off	As Total Amount Rounding		Normal Rounding	1	<input checked="" type="checkbox"/> Yes

Here, different ledgers are used, and the ledgers will not be shown in the invoice if the calculated value is zero as **Remove if Zero** is set to **Yes**.

17.

Note: When using voucher class, you cannot select additional ledgers during transaction.

In a similar way, you can create a voucher class for a purchase voucher type. In case of interest, the calculation is not needed for credit notes and debit notes you can create voucher classes for these two in the same way.

Record Sales or Purchase Transactions Using Voucher Class

Using a voucher class for a sample transaction (sales voucher) is as follows.

1. **Gateway of Tally > Vouchers > press F8 (Sales).**
Alternatively, **AMTG(Go to) > Create Voucher > press F8 (Sales).**
2. Select the voucher class.
3. Select the party. You can select only the parties satisfying the condition set in the voucher class.
4. Enter the item details.
5. The ledgers specified in the voucher class are displayed. You can enter the values, or the values are calculated as set in the voucher class. In case tax ledgers are included in the voucher class, taxes are calculated as per ledger

definition.

Accounting Voucher Creation		National Enterprises			
Sales No. 33		Voucher class : South Sales		1-Aug-2020 Saturday	
Party A/c name: Alpha Traders				Price Level : ♦ Not Applicable	
Current balance:					
Name of Item	Quantity		Rate per Disc %	Amount	
	Actual	Billed			
Aquafina 1 Litre	150 Pcs	150 Pcs	20.00 Pcs	3,000.00	
Transportation Charges			1000	1,000.00	
Loading Charges				250.00	
CGST				257.14	
SGST				257.14	
Rounding Off				(-)0.28	
Narration:		150 Pcs	150 Pcs		

6. Provide other details as needed.
7. Accept the sales voucher screen. As always, you can press **Ctrl+E** to save.
In a similar way you can use voucher classes for creating sales order, purchase, purchase order, delivery notes, receipt notes.

Use Voucher Classes for Receipts, Payments and Contra Entries

Use voucher classes for receipts to pre-fill the specific source of money as cash or bank. Similarly, you can specify the destination of money in the case of payments and contra entries.

The following image shows a sample voucher class for cash Payments using a Payment Voucher Type.

Class: Cash Payment	
Exclude these Groups	Include these Groups
◆ End of List	◆ End of List
<i>Specific Ledger for which this Class is created (e.g. Cash, or a Bank Account)</i>	
Ledger Name	
Cash	

2.6 CREATE, ALTER & DELETE BUDGETS FOR GROUPS

A budget is a plan prepared for the flow of funds in an organisation. It contains financial guidelines for the future plan of action for a specific period of time. Budgets in Tally Prime help you to refine goals and use funds efficiently. It provides accurate information for the evaluation of financial activities, aids in decision making and provides a reference for future planning. In Tally Prime, you can modify budgets using the alter option. You can also delete budgets.

Tally Prime provides you with the flexibility to create budgets for ledgers, groups, and cost centres, as per your requirement. You can create multiple budgets in Tally Prime for specific purposes. For example, you can create budgets for Banks, Head offices, Departmental budgets like Marketing Budgets, Finance Budgets, and so on. You can compare the budgeted figures with Actual figures and generate the budget variance report.

You can also delete budgets in Tally Prime, if needed.

Create a Budget

You can create budgets in Tally Prime for groups, ledger accounts, and cost centres. You can create multiple budgets, each for a specific purpose. You can also have a hierarchical setup for budgets in Tally Prime.

In the **List of Budgets**, **Primary** is at the top of the hierarchy, and you can create multiple primary budgets, as needed. Sub-budgets can be created under Primary budgets in Tally Prime.

In this section

- Create Budgets for Ledgers
- Create Budgets for Groups
- Create Budgets for Cost Centres

Create Budgets for Ledgers

You may have created an expense ledger for the transportation cost in your business. You can create a budget for the transportation cost ledger, which will enable you to control the transportation expenditure.

In Tally Prime, you can create budgets for ledgers and also view budget variance to know the difference between the actual expenditure and the budget set for a specific ledger.

1. Press **AMTG** (Go To) > **Create Master** > **Budgets** > and press **Enter**.
Alternatively, **Gateway of Tally** > **Create** > **Budgets** > and press **Enter**.

2. Enter a **Name** for the budget.
3. Set the option **Ledgers** to **Yes**.

The **Ledger Budget** screen appears.

4. Select the required **Ledger Name**.
5. Provide the details of the budget.
 - a. Select the **Type of Budget**.

- Select **On Nett Transactions** to monitor the transaction amounts and not the balances. Nett is net of debits and credits for the specified period. The **On Nett Transactions** budgets specified for a period automatically get apportioned over the period. This means, for **On Nett transactions** budgets, the debit amount for the specified period (after reducing the credits for the same period) is considered without taking into account opening and closing balances. For example, to compare transactions against budgets, especially revenue income and expenses, you can select **On Nett Transactions**.

- Select **On Closing Balance** to monitor the balances of the accounts and not the transactions. This means, each month will have the same budget value, except that the actual **Opening Balance** is also taken into account. Budgets **On Closing Balance** can be set for bank ledgers, sundry debtors ledger balances, and so on. For example, to compare the closing balances in final statements, especially Balance Sheet items like assets and liabilities, select **On Closing Balance**.

b. Enter the **Amount**.

National Enterprises		
Ledger Budgets Under 'Corporate Budget' (From 1-Apr-2020 to 31-Mar-2021)		
Account Name	Type of Budget	Amount
Advertisement	On Nett Transactions	5,00,000.00
Printing and Stationery	On Nett Transactions	50,000.00

c. Press **Enter**.

6. Press **Ctrl+E** to save.

Create Budgets for Groups

Now that you know how to create budgets in Tally Prime for individual ledgers, in your business, you may face an issue with budgeting for individual ledgers. You may want to create budgets for entire groups. Tally Prime provides you with the flexibility to create budget at the group level.

You may have created a group for your advertising expenses that entail expenditure on digital marketing, print advertising, participation in business exhibitions, and others. In such a case, you can create budgets for the group created for the advertising expenses. Creating a budget for the group will help you control the expenses on advertising and plan for funds required for all the activities.

Moreover, you can also view the budget variance report for a particular group to know the difference between the actual expense incurred on the ledgers under a group and the budget set for the group.

You can create budgets in Tally Prime for groups like expenses, sundry debtors, sundry creditors, and more. This budget will be applicable for all ledgers created under these groups.

1. Press **AMTG** (Go To) > **Create Master** > **Budgets** > and press **Enter**.

Alternatively, **Gateway of Tally** > **Create** > **Budgets** > and press **Enter**.

2. Enter a **Name** for the budget.

3. Set the option **Groups** to **Yes**.

The **Group Budget** screen appears.

4. Select the required **Group Name**.

5. Provide the details of the budget.

a. Select the **Type of Budget**.

- Select **On Nett Transactions** to monitor the transaction amounts and not the balances. Nett is net of debits and credits for the specified period. The **On Nett Transactions** budgets specified for a period automatically get apportioned over the period. This means, for **On Nett transactions** budgets, the debit amount for the specified period (after reducing the credits for the same period) is considered without taking into account opening and closing balances. For example, to compare transactions against budgets, especially revenue income and expenses, you can select **On Nett Transactions**.
- Select **On Closing Balance** to monitor the balances of the accounts and the not the transactions. This means, each month will have the same budget value, except that the actual **Opening Balance** is also taken into account. Budgets **On Closing balances** can be set for bank ledgers, sundry debtors ledger balances, and so on. For example, to compare the closing balances in the financial statements, especially in the Balance Sheet items like assets and liabilities, select **On Closing Balance**.

b. Enter the **Amount**.

National Enterprises		
Group Budgets Under 'Corporate Budget' (From 1-Apr-2020 to 31-Mar-2021)		
Group Name	Type of Budget	Amount
Indirect Expenses	On Nett Transactions	5,00,000.00
Bank Accounts	On Closing Balance	20,00,000.00
Fixed Assets	On Closing Balance	50,00,000.00

c. Press **Enter**.

6. Press **Ctrl+E** to save.

Create Budgets for Cost Centres

In your business, you may be having different departments for which you may have created cost centres. In such a case, you may want to create budgets for cost centres in order to control the expenses in the respective department. Moreover, you may also want to know the

difference between the actual expenses under a cost centre and the budget set for the same for which you can view the budget variance report.

1. Pass **AMTG** (Go To) > **Create Master > Budgets >** and press **Enter**.
Alternatively, **Gateway of Tally > Create > Budgets >** and press **Enter**.
2. Press **F11** (Features) > set **Enable Cost Centres** to **Yes**.
If you do not see this option, set **Show more features** to **Yes**.
3. Enter a **Name** for the budget.
4. Set the option **Cost Centres** to **Yes**.

Budget Creation				
Name		: Corporate Budget		
Under		: ♦ Primary		
Period of Budget		Set / Alter Budgets of		
From:	To:	Groups	Ledgers	Cost Centres
1-Apr-2020	31-Mar-2021	No	No	<input type="checkbox"/> Yes

The **Cost Centre Budget** screen appears.

5. Provide the details of the budget.
 - a. Enter the budgeted amount of **Expenses** for the cost centre.
 - b. Enter a budgeted amount of **Income** for the cost centre.
 - c. Enter the **Closing Balance**.

National Enterprises			
Cost Centre Budgets Under 'Corporate Budget'			
(From 1-Apr-2020 to 31-Mar-2021)			
Cost Centre	Expenses	Income	Closing Balance
Finance Department	8,45,000.00	4,75,000.00	3,70,000.00
Marketing Department	18,93,000.00	6,95,000.00	11,98,000.00

- d. Press **Enter**.
6. Press **Ctrl+E** to save.

Alter a Budget

Based on the financial situation of the company, market inflation, a need to cut cost, or to increase or decrease investment in a particular function, you may need to alter budgets created for groups, ledgers, or cost centres.

You can enable the facility to alter a budget in Tally Prime and then make the necessary changes, as per your requirement.

1. **Gateway of Tally > Alter > Budgets >** and press **Enter**.
Alternatively, press **AMTG (Go To) > Create Master > Budgets >** and press **Enter**.
2. Make changes in the budget, as needed.
 - a. Modify the **Name** and **Period of Budget**, as needed.
 - b. Set the option **Set/Alter Budgets** to **Yes**, for **Groups, Ledgers, or Cost Centres**.
 - c. Make the required changes.

Budget Alteration				
Name		: Corporate Budget		
Under		: ♦ Primary		
Period of Budget		Set / Alter Budgets of		
From:	To:	Groups	Ledgers	Cost Centres
1-Apr-2020	31-Mar-2021	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No

3. Press **Ctrl+E** to save.

View Budget Variance

Budgets give you an estimation of the expenditure that you can incur in your business for a particular work, department, or project. However, there may be some difference between the actual expenses and the respective budgets. The budget variance report provides you with the information on the actual expenses as compared to the budget. This helps you plan for the future and facilitates financial control in your business.

You can view the Budget Variance report from Trial Balance, Group Summary and Monthly Summary. Budget Variance is active only when the option Maintain budgets and controls is enabled in the Accounting Features, and at least one budget is created.

1. Press **AMTG** (Go To) > type or select **Trial Balance** and press **Enter**.

Alternatively, **Gateway of Tally** > **Display More Reports** > **Trial Balance**.

Note: To view **Budget Variance** from the **Group Summary**, press **Alt G** (Go to) > type or select **Group Summary** > press **Enter** and select the required group.

2. Press **Baltic** (New Column) > select the budget in the **Type of value to show** field and set **Show variance** to **Yes**.

National Enterprises	
Column Details	
From (blank for beginning)	: 1-Apr-2020
To (blank for end)	: 20-Aug-2020
Currency	: ♦ Base Currency
Method of stock valuation	: Default
Type of value to show	: Corporate Budget
Show variance	: Yes
Name of Group	: ♦ Primary

A separate column appears for the selected budget, along with the actuals column.

If the **Budget Variance** shows negative value, it means that the actual expenditure has exceeded the budgeted value.

Delete a Budget

In your business, there may be situations that:

- You have created budgets in Tally Prime for certain projects that are cancelled.
- You have created a budget for print advertising and your organisation has decided to advertise only digitally.
- You have created a budget and want to split the budget into two or more separate budgets, based on the nature of work.
- You want to merge two budgets created in Tally Prime, as the budgets fall under same nature of work or project.

In such cases, you will want to delete an existing budget in Tally Prime.

1. Press **AMTG** (Go To) > **Alter Master** > **Budgets** > and press **Enter**.

Alternatively, **Gateway of Tally** > **Alter** > **Budgets** > and press **Enter**.

2. Select the required budget.

3. Press **Halted** and press **Y** to delete.

2.7 COST CENTERS AND LEDGERS

What is a cost centre?

A cost centre is nothing but a separate department within a business to which costs can be allocated. This also includes departments which do not produce directly but incur costs to the business. For example, the manager and employees of the cost centre are not accountable for the profitability and investment decisions of the business but they are responsible for some of its costs.

Major categories of cost centre

There are two main types of cost centres

- Cost centres related to production - where the products are manufactured or processed. Example of this is an assembly area.
- Cost centres related to provision of services - where services are provided to other cost centres. A simplest example for our understanding could be personnel department or the canteen.

Cost centre and Tally.ERP 9

In Tally.ERP 9, the cost centre could refer to an organizational unit to which costs or expenses can be allocated during transactions while the cost category is used to accumulate costs or profits for parallel sets of cost centres.

For example, we can use cost centre to track expenses of each employee while cost category can be used to see the effectiveness of each project.

To enable cost centre and cost category in Tally.ERP 9

It's a three step process which can be tabularized as under:

Step 1	Go to Gateway of Tally > F - 11: Features > F - 1: Accounting Features
Step 2	Set 'Maintain Cost Centres to 'Yes'
Step 3	Set 'More than ONE Payroll/ Cost Category' to 'Yes'

How to use Cost centres in Tally.ERP 9?

- **Creating cost centres and cost categories:** The first thing is to create the cost centre to which the costs can be allocated.

To create Cost centre: Follow these steps

Step 1	Go to Gateway of Tally.ERP 9 > Accounts Info. > Cost Centres > Select
---------------	---

	'Create' under Single Cost Centres.						
Step 2	Select the Cost Category under which we want to classify the cost centre created and to do this follow: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Step 1</td> <td>Go to Gateway of Tally > Accounts Info. > Cost Categories</td> </tr> <tr> <td>Step 2</td> <td>Select 'Create' under 'Single Cost Category</td> </tr> <tr> <td>Step 3</td> <td>Enter the Cost Category name and accept the screen.</td> </tr> </table>	Step 1	Go to Gateway of Tally > Accounts Info. > Cost Categories	Step 2	Select 'Create' under 'Single Cost Category	Step 3	Enter the Cost Category name and accept the screen.
Step 1	Go to Gateway of Tally > Accounts Info. > Cost Categories						
Step 2	Select 'Create' under 'Single Cost Category						
Step 3	Enter the Cost Category name and accept the screen.						

- **Allocating expenses to cost centre :** - To allocate expenses to each cost centres while making payment the first thing which needs to be done is to create the expense ledger in Accounting vouchers section and then pass entry for payment transaction.

To pass the entry for payment transaction:

Step 1	Go to Gateway of Tally > Accounting Vouchers > F5: Payment
Step 2	Debit the 'Expense' ledger with the required amount
Step 3	Press Enter to open 'Cost Allocation' screen
Step 4	Select the 'Cost Category'
Step 5	Allocate each cost centre created with the required amount
Step 6	Credit Bank or Cash to complete the payment transaction

How to generate cost centres report in Tally.ERP 9?

For speedy identification and detailed analysis of how costs are allocated to your business units, Tally ERP 9 provides reports to show complete details of all the cost centres and their related transactions in different ways. These reports are:

- Category Summary
- Cost Centre Break up
- Ledger Break up
- Group Break up

Cost Centre report type	How to generate report
Category Summary	<p>Purpose: Cost Category Summary displays the information on all cost categories to which we have allocated the voucher transactions.</p> <p>The pathway to generate this report is as follows Go to Gateway of Tally > Display > Statements of Accounts ></p>

	Cost Centres.
Cost Centre Break-up	<p>Purpose: Cost centre Break up shows the ledger accounts that are used in vouchers, the cost centre they were allocated to, their total transaction values and the balance.</p> <p>To access the Cost Centre, Break up screen,</p> <ul style="list-style-type: none"> · Go to Gateway of Tally > Display > Statements of Accounts > Cost Centres > Cost Centre Break up · Select a cost centre · Click F1: Detailed to see the ledgers.
Ledger Break-up	<p>To access the Ledger, break up screen,</p> <ul style="list-style-type: none"> · Go to Gateway of Tally > Display > Statement of Accounts > Cost Centres > Ledger Break up. · Then select a ledger account for which the cost ledger break up has to be viewed
Group Break-up	<p>Purpose: The Group break up of cost centre gives you another view of a cost centre report by enabling you to analyse the distribution of a group (of ledger accounts) across different cost centres.</p> <p>To access the Group break-up screen,</p> <ul style="list-style-type: none"> · Go to Gateway of Tally > Display > Statements of Accounts > Cost Centres > Group Break up. · Then select a group account, say for example, Indirect Expenses. · The total Indirect Expenses allocated to different Cost Centres under different Cost categories will displayed.

2.8 CREDIT LIMITS

Credit Limit is the monetary limit up to which the buyer can purchase from a seller on credit. This limit is agreed upon mutually by the seller and the buyer. Credit limits can be set for ledgers created under the groups **Sundry Debtors** and **Sundry Creditors**.

By setting credit limits for your buyer or customer, you will be able to effectively manage your receivables. The credit limits allowed by your supplier in the respective ledger, you will

be able to effectively manage your payables. During sales, purchase, and order transactions, the credit limit and current outstanding balance of the ledger will be displayed, allowing you to make informed decisions.

Enable and Set Credit Limit

You can set credit limits for ledgers accounts grouped under Sundry Debtors and Sundry Creditors at the time of ledger creation or from the alteration screen or also at the time of invoicing.

Go to **F11 Features > Accounting Features > e** noble the option **Maintain budgets and controls**.

Budgets and Scenario Management	
Maintain budgets and controls	<input checked="" type="checkbox"/> Yes
Use reversing journals and optional vouchers	<input type="checkbox"/> No

Set credit limits for single ledger

1. Go to **Gateway of Tally > Accounts Info. > Ledgers > Create or Alter**
2. Select the required party ledger from the list of ledgers to set credit terms.

Ledger Creation	
Name : Trader A (alias) :	Total Op. Bal.
Under : Sundry Creditors (Current Liabilities)	
Maintain balances bill-by-bill	? Yes
Default credit period	: 30 Days
Check for credit days during voucher entry ?	Yes
Set Credit Limit	: 2,00,000.00 Cr
Override Credit limit using post-dated transactions	? No
Inventory values are affected	? No

3. Set the required credit limit.
4. Enable the option **Override Credit limit using post-dated transactions**, if required.

Set credit limits for multiple ledgers

1. Go to **Gateway of Tally > Accounts Info. > Ledgers > Credit Limits**.

2. Select the required group of ledgers from the **List of Groups** to set credit terms.

The **Multi Ledger Limit Alteration** screen appears as shown below. The list of ledger accounts under the selected group is displayed.

Multi Ledger Limit Alteration				
ABC Company			Ctrl + M	
Under Group		: South Debtors		
		1-Apr-2014 to 12-Jan-2015		
S.No.	Name of Ledger	Credit Limit	Credit Period	Check for Credit Days during Voucher Entry
1	All India Computer Institute	1,00,000.00 Dr	60 Days	Yes
2	Arvind Kumar	1,00,000.00 Dr	60 Days	Yes
3	AVT Computers	1,00,000.00 Dr	60 Days	Yes
4	Best Systems Pvt Ltd	1,00,000.00 Dr	60 Days	Yes
5	Computer Junction	50,000.00 Dr	30 Days	No
6	Fortune Computer Services	50,000.00 Dr	30 Days	Yes

3. Set **Credit Limit** , **Credit Period** , and **Check For Credit Dates During Voucher Entry** in the **Multi Ledger Limit Alteration** screen .

To view this report for a different group

- Press Ctrl+F4.
- Change the group in the Select Group screen.

Check on exceeding credit limit

During voucher entry, if the credit limit is exceeded, at the time of accepting the voucher, an error message is displayed.

The error message shows the credit limit defined for the party and the amount exceeded as shown below:

Accounting Voucher Creation			
ABC Company			Ctrl + M
Sales		No. 5	
Ref:		1-Sep-2008	
		Monday	
Party's A/c Name : Customer A			
Current Balance : 8,290.00 Dr Credit Limit: 25,000.00 Dr			
Sales Ledger : Sales Account			
Name of Item	Quantity	Rate per	Amount
Item 1	100 Nos	250.00 Nos	25,000.00
Item 2	100 Lts	56.00 Lts	5,600.00
			30,600.00
[End of List			
Show Statutory Details ? Yes			
Narration:			

Error

Eh ?

Credit Limit of 'Customer A' 25,000.00 Dr exceeded !
Current :38,890.00 Dr

You can however,

- Enter a lower value (within the prescribed credit limit) to complete the entry, or
- Enable the option **Override credit limit using post-dated transactions?** in the party ledger.

This feature helps in restricting invoicing for the customers or parties exceeding the prescribed credit limits and thereby facilitating better and effective control of the outstanding.

CREDIT PERIOD

The scenarios when a credit period can be given in an invoice heavily depend on certain factors that influence business decisions. A credit period or trade credit in the invoice is the time given to the customer to make the payment for the goods or services purchased.

- **Industry-standard**

Most industrial sectors have commonly accepted practices of allowing for a deferred payment of goods or services provided. The actual number of days permitted for a particular credit period may differ from industry to industry, depending upon the average working capital cycle prevalent in that industry.

- **Competition**

By offering your business partners and customers the facility of a credit period, you are attracting them toward conducting business with you frequently. Since competition is high, there is always a chance that you may lose customers. Facilities such as a credit period lay the foundation for a long-standing relationship and encourage them to stay loyal to you.

- **Products, volume and frequency**

For regular customers who order in bulk, it has become a standard practice to give them a bit of relaxation when it comes to payments. Offering them a discount for early payment and giving them a credit period facility solidifies the bond between the customers and the business.

- **To build business relationships**

Customer and business partner relationships are built on the foundation of trust. Offering them a credit period depicts that. It tells them that you have faith in their ability to make the payment by the specified due date.

- **For more lucrative sales**

Offering a credit period for new customers, especially, is a very good proposition. New buyers will be sceptical about the quality of the products or services on offer, which is why the first order may not be huge. However, extending them the facility of a credit period may well result in bulk orders in the future since it gives them flexibility for payments.

- **Registered buyers' credit scores and ratings or creditworthiness**

While computing the credit scores and assessing the creditworthiness, the buyer's ability to make the payments within the credit period offered by businesses is also a key factor. The fact that payments made within the due date will contribute to the final credit score of that individual.

- **As a part of vendor financing for start-ups**

Vendor financing is one of the methods of financing start-ups. This is when manufacturers or distributors defer the payment until the goods are sold. Therefore, the credit period is sometimes extended from 15 days to 30, or even 45 days in certain cases. This option gives the start-ups some breathing space and ensures that they aren't completely cash strapped.

2.9 DISPLAY BUDGETS AND VARIANCES

Budget Variance report can be viewed from the Trial Balance, Group Summary and Monthly Summary. **Budget Variance** is active if the option Maintain budgets and controls is enabled in Accounting Features, and at least one budget is created.

1. Go to **Gateway of Tally > Display > Trial Balance**.

Note: To view Budget Variance from the **Group Summary**, go to **Gateway of Tally > Display > Account Books > Group Summary**.

2. Click **Ctrl+E** to view budget variance, as shown below.

Trial Balance		ABC Company		Ctrl + M	F7: Period
Particulars	ABC Company 1-Apr-2008 to 31-Mar-2009		Closing Balance		F3: Company
	Debit	Credit			F4: Group
					F5: Led-wise
Fixed Assets	10,00,000.00				F6: Monthly
Current Assets	1,60,000.00				F7: Vouchers
Direct Incomes		15,00,000.00			
Indirect Expenses	3,40,000.00				
Grand Total	15,00,000.00	15,00,000.00			

3. Select the required budget to view the **Corporate Budget**, the **Actuals**, and the **Corporate Budget Variance**, as shown below.

Trial Balance		ABC Company		ABC Company		ABC Company		Ctrl + M
Particulars	ABC Company 1-Apr-2008 to 31-Mar-2009		ABC Company 1-Apr-2008 to 31-Mar-2009		ABC Company 1-Apr-2008 to 31-Mar-2009			
	Corporate Budget		Actuals		Corporate Budget Variance			
	Closing Balance		Closing Balance		Closing Balance			
	Debit	Credit	Debit	Credit	Debit	Credit		
Fixed Assets	50,00,000.00		16,00,000.00	20.00%	40,00,000.00	80%		
Building			10,00,000.00					
Current Assets	20,00,000.00		1,60,000.00	8.00%	18,40,000.00	92%		
Bank Accounts	20,00,000.00		1,60,000.00	8.00%	18,40,000.00	92%		
Direct Incomes								
Income Received					15,00,000.00	15,00,000.00		
Indirect Expenses	5,00,000.00		3,40,000.00	68.00%	1,60,000.00	32%		
Advertisement			3,00,000.00					
Printing & Stationery			40,000.00					
Profit & Loss A/c		5,00,000.00				(-15,00,000.00)	(-100%)	
Grand Total	75,00,000.00	5,00,000.00	15,00,000.00	20.00%	15,00,000.00	30.00%	60,00,000.00	(-15,00,000.00)

Corporate Budget displays the values of the budget, which is already defined.

Actuals displays the values of actual expenditure incurred.

Corporate Budget Variance displays the values of the variance of the **Actuals** and the **Corporate Budget**, that is, **Corporate Budget - Actuals = Corporate Budget Variance**.

Note: If Budget Variance shows a negative value, then the actual expenditure has exceeded the budgeted value.

2.10 CREATE ALTER AND DELETE A SCENARIO JOURNALS TRANSACTION PAYMENT VOUCHER

What is scenario?

A scenario could be defined as a description of a possible set of events that might reasonably take place. The primary purpose of developing scenarios is to stimulate thinking about possible occurrences, assumptions relating these occurrences, possible opportunities and risks, and courses of action.

Scenario management – A diagrammatic Understanding



Fig:2.5 Scenario management – A diagrammatic Understanding

Scenario management in accounting world

It is a management tool that enables different displays of accounts and inventory related information, by selectively including certain types of vouchers without affecting the source data. Managing scenarios is useful in generating provisional reports, where entries are not actually made in the main books. It is also a useful forecasting tool i.e. we can forecast the expenses using provisional Vouchers and include them in your reports.

The following vouchers used in Scenario Management are:

- Optional Vouchers
- Memorandum Vouchers
- Reversing Journals

To create a scenario in Tally.ERP 9

Step 1	Set Use Reversing Journals & Optional Vouchers in F11 : F1: Accounting Features to Yes.
Step 2	Go to Gateway of Tally > Accounts Info. > Scenario > Create
Step 3	Give a suitable name to the scenario.
Step 4	Set Include Actuals to Yes
Step 5	<ul style="list-style-type: none"> · Set Exclude Forex Gains/Losses Calculations to Yes if you do not want the Unadjusted Forex Gain/Loss element to appear in the scenario. · Set Exclude tracking of inventory calculations to Yes if you do not want the Sales/Purchase Bills Pending element to appear in the scenario.
Step 6	<p>Include:</p> <p>From the list of available vouchers, include the type of vouchers required. Here we have to take care to pick up the Voucher Types created for the company for which scenario is being prepared. Regular and Provisional Vouchers that are marked Optional are permitted for selection.</p> <p>Exclude:</p> <p>From the list of available vouchers, exclude vouchers that are already included in the type of vouchers that you do not want to affect this scenario. This is used in Alter mode and hence is discussed under Alter/Display Scenario Information.</p>
Step 7	Accept to create this scenario.

To alter a scenario in Tally.ERP 9

Step 1	Go to Gateway of Tally > Accounts Info > Scenario > Alter
Step 2	<p>Select the scenario to alter from the List of Scenarios. The information given while creating the scenario displays and you can alter it. (or)</p> <p>Exclude:</p> <p>Use the mode “Alter”, when you do not want a selected included voucher to affect the scenario, anymore. This way it is easier to put the selected voucher in the Exclude List, rather than to remove it from the Include List.</p>

Tally's reversing journals in scenarios

One has to follow these steps listed below to create a Reversing Journal Entry for the scenario already created.

Go to Gateway of Tally > Accounting Vouchers > F10: Reversing Journal

- Select Reversing Journals from the list.
- Debit Depreciation and enter the amount
- Credit Provision for Depreciation
- Enter narration if any
- Accept the voucher.

Using scenarios in sales forecast report

In Tally.ERP 9 we can use scenarios to tap sales forecast report. To use scenarios in sales forecast report follow these steps:

Step 1	Create a new Scenario and name it. Since we are going to use the scenario for sales forecast let us name it as Sales Forecasts.
Step 2	Include Sales Vouchers Optional Only.
Step 3	Create 12 Sales Vouchers, one in each month. Remember to mark them Optional.
Step 4	View the Sales Accounts by drilling down the Profit & Loss A/c.
Step 5	Bring up New Columns and limit each column date range to the following month. The Sales forecast figures must display.

2.11 UNIT END QUESTIONS

A. Descriptive Questions

Short Answer Questions

1. Define Accounting Voucher.
2. How to Delete Budgets for groups?
3. Explain credit limit & credit period.
4. Describe Account Invoice transaction.
5. Explain how to create company.

Long Answer Questions

1. Discuss ledgers & Cost centre.

2. Explain Display Budgets and variances.
3. Explain Create Company, Alter & Display Groups and Ledgers.
4. Explain create alter and delete a scenario Journals transaction payment voucher go down summary.
5. Define Accounting voucher. Explain all Accounting Voucher Types.

B . Multiple Choice Questions

1. In the Tally Software, which one of the following directories stores all data entered by the user?
 - a Data
 - b Bin
 - c Sub
 - d Database

2. For which is the main purpose of cost accounting being to provide information to management?
 - a Decision making
 - b Planning
 - c Policy making
 - d Process making

3. Which are classified by overheads On the basis of behaviour
 - a Fixed and Variable
 - b Capital and Revenue
 - c Controllable and Uncontrollable
 - d Normal and Abnormal

4. In which cost included total cost of direct material, direct labour, direct expenses and manufacturing expenses?
 - a Production costs
 - b Development costs
 - c Distribution costs
 - d Selling costs

5. Which costs are directly related to a cost centre or cost unit?

- a Direct
- b Indirect
- c Fixed
- d Selling

Answers:

1.a, 2.a, 3.a, 4.a, 5.a

2.12 REFERENCES

Reference Books:

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UNIT- 3 TAXATION IN TALLY AND GST

STRUCTURE

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Purchase vouchers with GST
- 3.3 Sales voucher with GST
- 3.4 GST returns and payments
- 3.5 Party Ledger analysis
- 3.6 MIS – Purchase, Sales, Stock analysis and reports
- 3.7 Cash and bank reports
- 3.8 Search, filter and sorting
- 3.9 Financial Reports
- 3.10 Multiple Languages
- 3.11 Export-import back-up and restore
- 3.12 TDS
- 3.13 TCS
- 3.14 Printing Reports
- 3.15 Unit End Questions
- 3.16 References

3.0 OBJECTIVES

After completing this Students will be able to

- Define purchase vouchers with GST
- Understand GST returns and payments
- Define Financial Reports
- Explain the concept TDS and TCS

3.1 INTRODUCTION TO GST

GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017; Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition.

In simple words, Goods and Service Tax (GST) is an indirect tax levied on the supply of goods and services. This law has replaced many indirect tax laws that previously existed in India.

GST

The goods and services tax (GST) is a value-added tax (VAT) levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.

Critics point out, however, that the GST may disproportionately burden people whose self-reported income are in the lowest and middle income brackets, making it a regressive tax. These critics argue that GST can therefore exacerbate income inequality and contribute to social and economic disparities. In order to address these concerns, some countries have introduced GST exemptions or reduced GST rates on essential goods and services, such as food and healthcare. Others have implemented GST credits or rebates to help offset the impact of GST on lower-income households.

Goods and services tax should not be confused with the generation-skipping trust, also abbreviated GST (and its related taxation, GSTT).

Key Takeaways

- The goods and services tax (GST) is a tax on goods and services sold domestically for consumption.
- The tax is included in the final price and paid by consumers at point of sale and passed to the government by the seller.
- The GST is usually taxed as a single rate across a nation.
- Governments prefer GST as it simplifies the taxation system and reduces tax avoidance.
- Critics of GST say it burdens lower income earners more than higher income earners.

Understanding the Goods and Services Tax (GST)

The goods and services tax (GST) is an indirect federal sales tax that is applied to the cost of certain goods and services. The business adds the GST to the price of the product, and a customer who buys the product pays the sales price inclusive of the GST. The GST portion is collected by the business or seller and forwarded to the government. It is also referred to as Value-Added Tax (VAT) in some countries.

Most countries with a GST have a single unified GST system, which means that a single tax rate is applied throughout the country. A country with a unified GST platform merges central taxes (e.g., sales tax, excise duty tax, and service tax) with state-level taxes (e.g., entertainment tax, entry tax, transfer tax, sin tax, and luxury tax) and collects them as one single tax. These countries tax virtually everything at a single rate.

France was the first country to implement the GST in 1954; since then, an estimated 140 countries have adopted this tax system in some form or another.² Some of the countries with a GST include Canada, Vietnam, Australia, Singapore, United Kingdom, Spain, Italy, Nigeria, Brazil, and India.

Dual Goods and Services Tax Structures

Only a handful of countries, such as Canada and Brazil, have a dual GST structure. Compared to a unified GST economy where tax is collected by the federal government and then distributed to the states, in a dual system, the federal GST is applied in addition to the state sales tax. In Canada, for example, the federal government levies a 5% tax and some provinces/states also levy a provincial state tax (PST), which varies from 8% to 10%. In this case, a consumer's receipt will clearly have the GST and PST rate that was applied to their purchase value.

More recently, the GST and PST have been combined in some provinces into a single tax known as the Harmonized Sales Tax (HST). Prince Edward Island was the first to adopt the HST in 2013, combining its federal and provincial sales taxes into a single tax. Since then, several other provinces have followed suit, including New Brunswick, Newfoundland and Labrador, Nova Scotia, and Ontario.

Critiques of the GST

A GST is generally considered to be a regressive tax, meaning that it takes a relatively larger percentage of income from lower-income households compared to higher-income households. This is because GST is levied uniformly on the consumption of goods and services, rather than on income or wealth.

Lower-income households tend to spend a larger proportion of their income on consumables, such as food and household goods, which are subject to GST. As a result, GST can disproportionately burden lower-income households.

Because of this, some countries with GST are discussing possible adjustments that might make the tax more progressive, which takes a larger percentage from higher-income earners.

Example: India's Adoption of the GST

India established a dual GST structure in 2017, which was the biggest reform in the country's tax structure in decades. The main objective of incorporating the GST was to eliminate tax on tax, or double taxation, which cascades from the manufacturing level to the consumption level.

For example, a manufacturer that makes notebooks obtains the raw materials for, say, Rs. 10, which includes a 10% tax. This means that they pay Rs. 1 in tax for Rs. 9 worth of materials. In the process of manufacturing the notebook, the manufacturer adds value to the original materials of Rs. 5, for a total value of $\text{Rs. } 10 + \text{Rs. } 5 = \text{Rs. } 15$. The 10% tax due on the finished good will be Rs. 1.50. Under a GST system, the previous tax paid can be applied against this additional tax to bring the effective tax rate to $\text{Rs. } 1.50 - \text{Rs. } 1.00 = \text{Rs. } 0.50$.

In turn, the wholesaler purchases the notebook for Rs. 15 and sells it to the retailer at a Rs. 2.50 mark-up value for Rs. 17.50. The 10% tax on the gross value of the good will be Rs. 1.75, which the wholesaler can apply against the tax on the original cost price from the manufacturer (i.e., Rs. 1.50). The wholesaler's effective tax rate will, thus, be $\text{Rs. } 1.75 - \text{Rs. } 1.50 = \text{Rs. } 0.25$.

Similarly, if the retailer's margin is Rs. 1.50, his effective tax rate will be $(10\% \times \text{Rs. } 19) - \text{Rs. } 1.75 = \text{Rs. } 0.15$. Total tax that cascades from manufacturer to retailer will be $\text{Rs. } 1 + \text{Rs. } 0.50 + \text{Rs. } 0.25 + \text{Rs. } 0.15 = \text{Rs. } 1.90$.

India has, since launching the GST on July 1, 2017, implemented the following tax rates:

- A 0% tax rate applied to certain foods, books, newspapers, homespun cotton cloth, and hotel services.
- A rate of 0.25% applied to cut and semi-polished stones.
- A 5% tax on household necessities such as sugar, spices, tea, and coffee.
- A 12% tax on computers and processed food.
- An 18% tax on hair oil, toothpaste, soap, and industrial intermediaries.
- The final bracket, taxing goods at 28%, applies to luxury products, including refrigerators, ceramic tiles, cigarettes, cars, and motorcycles.

The previous system, with no GST, implies that tax is paid on the value of goods and margin at every stage of the production process. This would translate to a higher amount of total taxes paid, which is carried down to the end consumer in the form of higher costs for goods and services. The implementation of the GST system in India is, therefore, a measure that is used to reduce inflation in the long run, as prices for goods will be lower.

Goods and Services Tax vs. Generation-Skipping Transfer Tax

The goods and services tax (GST) should not be confused with the generation-skipping transfer tax (GSTT Tax), and they are not at all related to one another.

The former is a sort of VAT tax added to the purchase of goods or services. Meanwhile, the generation skipping transfer tax (GST Tax) is a flat 40% federal tax on the transfer of inheritances from one's estate to a beneficiary who is at least 37½ years younger than the donor. The GST Tax prevents wealthy individuals from avoiding estate taxes through naming younger beneficiaries (e.g., grandchildren).

Types of taxes under GST

There are currently three types of GST

- CGST – Central GST – Applies to sales within the state – goes to Central Government
- SGST – State GST – Applies to sales within the state – goes to State Government
- IGST – Integrated GST – Applies to sales outside the state – goes to Central Government

For example, if you sell something within the state, 50% of the GST will be CGST and 50% of the GST will be SGST. But when you sell something outside a state, 100% of it will be IGST which will go to the Central Government.

Now that you have a basic understanding of how GST works, we can go ahead to understand the working of GST in Tally along with its accounting and calculation.

How to begin Tally ERP 9?

In order to use Tally, following steps must be followed

To create a company in Tally
To enable GST Features
To create ledgers

Let's discuss the above in detail

To create a company in Tally

Step 1 : -	Go to Gateway of Tally > Alt + F3 > Create Company
------------	--

Step 2 : -	Enter the basic information, i.e., name, mailing name and address of the company, currency symbol etc.
Step 3 : -	In the 'maintain field', select Accounts Only or Accounts with Inventory as per the company requirements.
Step 4 : -	In the Financial Year from, the first day of the current financial year for e.g., 1-4-2018 will be displayed by default, which can be changed as per requirement.
Step 5 : -	Enter the Tally Vault Password if required.
Step 6 : -	Press Y or Enter to accept and save.

To enable GST features in Tally

Step 1 : -	Go to Gateway of Tally > F11: Features > F3 : Statutory & Taxation
Step 2 : -	<p>In the screen you will find the following options: -</p> <ul style="list-style-type: none"> • Enable goods and service tax (GST): Yes • Set/alter GST Details: Yes. <p>This will display another screen where you can set GST details of the company such as the state in which the company is registered, registration type, GSTIN number etc.</p>
Step 3 : -	Press Y or Enter to accept and save.

To create ledgers

After creating a company and activating GST features, you need to create ledgers that will enable you to pass accounting entries in Tally ERP 9.

Step 1 : -	Go to Gateway of Tally > Accounts Info > Ledgers > Create
Step 2 : -	Create ledgers such as Purchase, Sales, State GST, Central, Integrated GST, Stock item names etc.
Step 3 : -	Select the appropriate group to which such ledger belongs for example state tax under duties and taxes group.
Step 4 : -	Enter the other related information required and press Y or Enter to accept and save.

After creating ledgers, we can proceed with preparing Accounting entries in Tally ERP 9. For that we have to follow: -

Gateway of Tally > Accounting Vouchers

There are many accounting vouchers in Tally such as Payment, Receipt, Contra, Sales, Purchase, etc. After choosing the relevant voucher we start passing the accounting entries.

How will GST work in Tally.ERP 9?

The functionality of GST in Tally is almost the same as prevalent during erstwhile taxation laws such as VAT or CST or Service Tax.

The first step before passing an Accounting Entry in Tally is to make GST Calculation. But first, let's take an example for our understanding. For example: M/s ABC Ltd of Mumbai sold goods worth Rs. 50,000/- to M/s XYZ Inc. of Ahmedabad; GST rate applicable for the given product is 18%

GST Calculation -	M/s ABC Ltd has to collect GST and say it is 18%. Then GST will come at Rs. 9,000/-.
Taxable Value -	This is the portion on which tax will be levied (i.e.,) Rs. 50,000/- in this case.
Type of Tax to select -	Since it is a transaction involving Inter-State trade, the ledger to create and select while preparing Accounting entry is <u>IGST</u> ledger.
Rate of Tax to be fed during Tax Ledger creation screen -	18% IGST (Tax type : Integrated Tax) .
Tax rate to key while preparing Stock Item Ledger -	18% IGST and Tally will automatically bifurcate and distribute the tax rate to CGST and SGST as 9% each.
Other ledgers to create -	Create XYZ Inc., ledger along with GSTIN number.

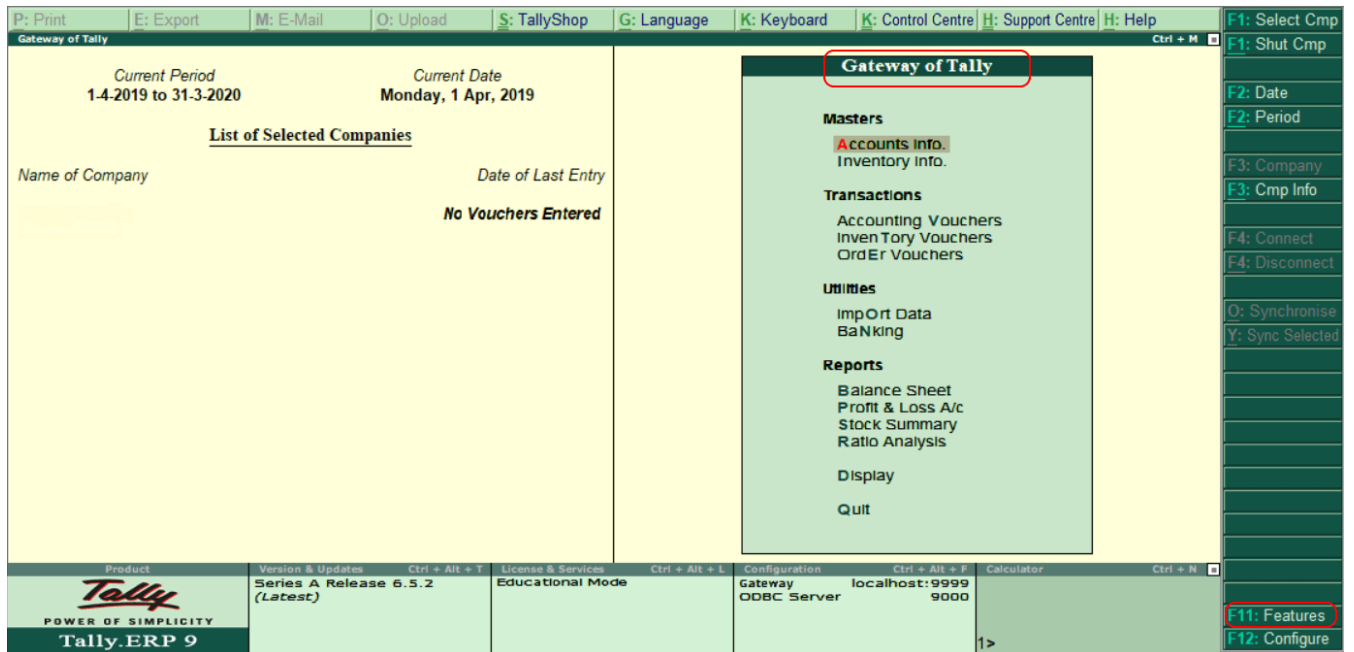
Now we have to go to the Accounting Voucher Screen and fit these details in Sales Voucher screen (F8). We are also not required to worry about tax calculation as Tally automatically calculates Tax amount portion based on the details fed in Stock Item Creation Screen and Tax ledger creation screen.

How to Activate GST in Tally?

In Tally, to use GST features, it is mandatory to activate or enable GST. In Tally ERP 9, after activation of GST in features, all the features which are GST related are available for all general ledgers, stock items, and transactions.

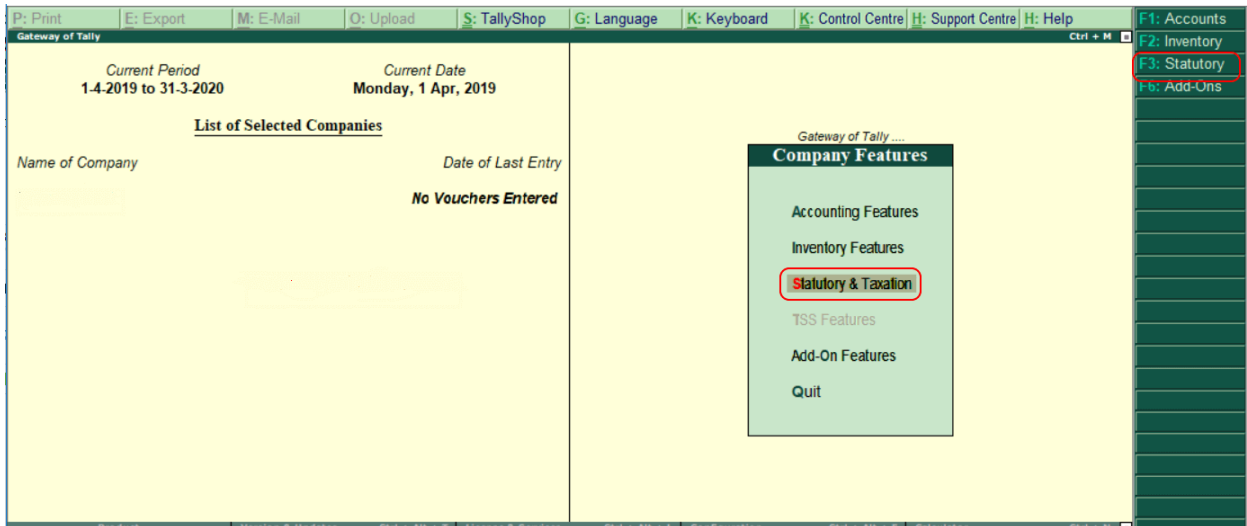
To activate GST in Tally, refer the following steps:

Step 1: Click on F11: Features or press function key F11 under Gateway of Tally.



Step 2: Choose Statutory & Taxation or press function key F3 under company features option.

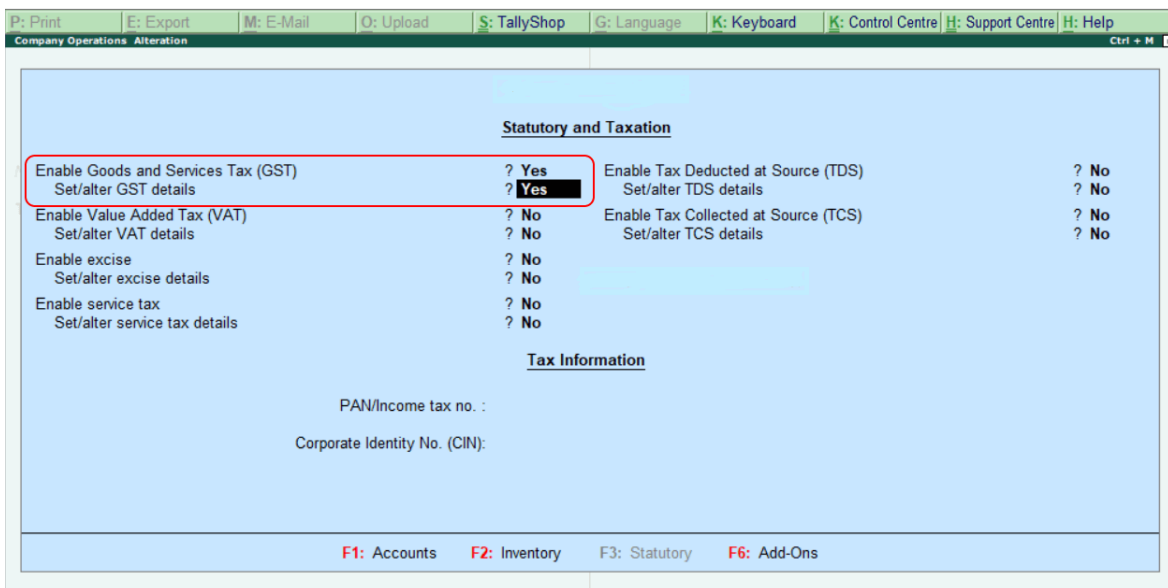




Step 3: Enter the following details on the next screen, "Company Operation Alteration".

Enable goods and service tax: Specify 'Yes'.

Set/alter GST details: Specify 'Yes'.



Step 4: The following screen will appear when we enable 'Yes' for Set/alter GST details.

Company GST Details		List of States
<p>Enable Goods and Services Tax (GST) Set/alter GST details</p> <p>Enable Value Added Tax (VAT) Set/alter VAT details</p> <p>Enable excise Set/alter excise details</p> <p>Enable service tax Set/alter service tax details</p>		<p>Andaman & Nicobar Islands</p> <p>Andhra Pradesh</p> <p>Arunachal Pradesh</p> <p>Assam</p> <p>Bihar</p> <p>Chandigarh</p> <p>Chhattisgarh</p> <p>Dadra & Nagar Haveli</p> <p>Daman & Diu</p> <p>Delhi</p> <p>Goa</p> <p>Gujarat</p> <p>Haryana</p> <p>Himachal Pradesh</p> <p>Jammu & Kashmir</p> <p>Jharkhand</p> <p>Karnataka</p> <p>Kerala</p> <p>Lakshadweep</p> <p>Madhya Pradesh</p> <p>Maharashtra</p> <p>Manipur</p> <p>Meghalaya</p> <p>Mizoram</p> <p>Nagaland</p>
GST Details		
State	: Andhra Pradesh	
Registration type	: Regular	
Assessee of Other Territory	? No	
GSTIN/UIN	:	
Applicable from	: 1-Apr-2019	
Periodicity of GSTR1	: Monthly	
e-Way Bill applicable	? Yes	
Applicable from	: 1-Apr-2019	
Threshold limit includes	: Invoice value	
Threshold limit	: 50,000	
Applicable for intrastate	? Yes	
Threshold limit	: 50,000	
Enable tax liability on advance receipts	? No	
		5 more ... ↓
<p>F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons</p>		11 more ... ↓

Step 5: Update all the required details of GST, as shown below:

State: It will automatically display state name based on the state which we have updated in the company.

Registration Type: In this, choose the GST registration type as "Regular" or "Composition".

GSTIN/UIN: Specify the GSTIN (Goods and Services Tax India Number). This GSTIN can be printed on invoices.

Applicable from: Specify the date that GST will be applicable for transactions.

Periodicity of GST: Specify the periodicity of GST as Quarterly or Monthly as per company requirements.

e-Way bill applicable: In this, choose the Yes option.

Applicable from: Specify the date that e-way bill to be applicable from.

Threshold limit includes: This will be based on taxable/ invoice value and taxable goods value/ exempt goods

Threshold limit: Specify the value of the amount of threshold limit allowed.

Applicable for intrastate: If it is applicable to our state, choose the option as "Yes".

Threshold limit: Specify the threshold limit

Enable tax liability on advance receipts: To activate tax liability on advance receipts, choose the option as "Yes".

Set/alter GST rate details: To set or alter GST rate details at the company level, choose the option as "Yes".

Enable GST classifications: To activate GST classifications, choose the option as "Yes".

<u>GST Details</u>	
State	: Andhra Pradesh
Registration type	: Regular
Assessee of Other Territory	? No
GSTIN/UIN	: 29ALAAA12345A12
Applicable from	: 1-Apr-2019
Periodicity of GSTR1	: Monthly
e-Way Bill applicable	? Yes
Applicable from	: 1-Apr-2019
Threshold limit includes	: Invoice value
Threshold limit	: 50,000
Applicable for intrastate	? Yes
Threshold limit	: 50,000
Enable tax liability on advance receipts	? Yes
Enable tax liability on reverse charge (Purchase from unregistered dealer)	? No
Set/alter GST rate details	? Yes
Enable GST Classifications	? Yes
Provide LUT/Bond details	? No

In Tally, choose the "Yes" option, entering all the required details for activation of GST to accept the data and save the details.

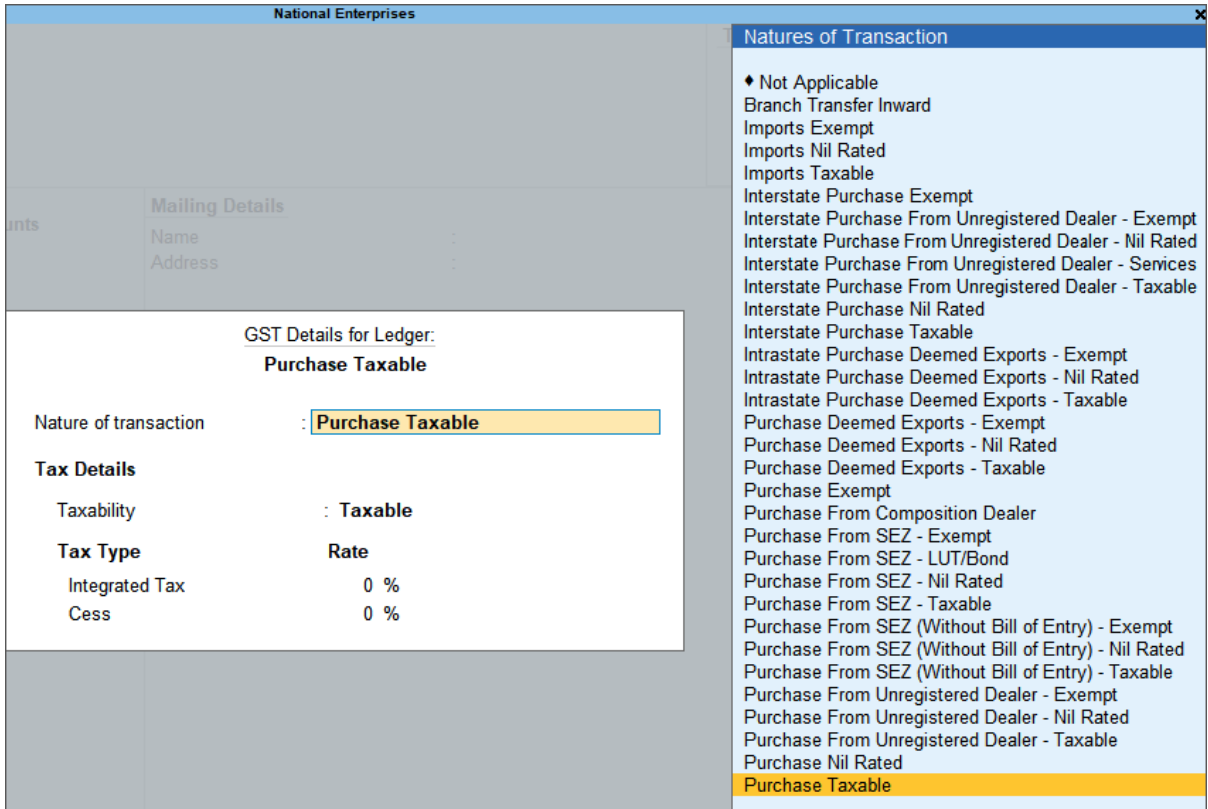
3.2 PURCHASE VOUCHERS WITH GST

Once you activate GST in your company, you can record the purchase of goods and services (inward supply) that attract GST using a purchase voucher. You can also record purchases from other territory and SEZ, nil rated and exempt purchases, works contract, purchases attracting GST and TDS.

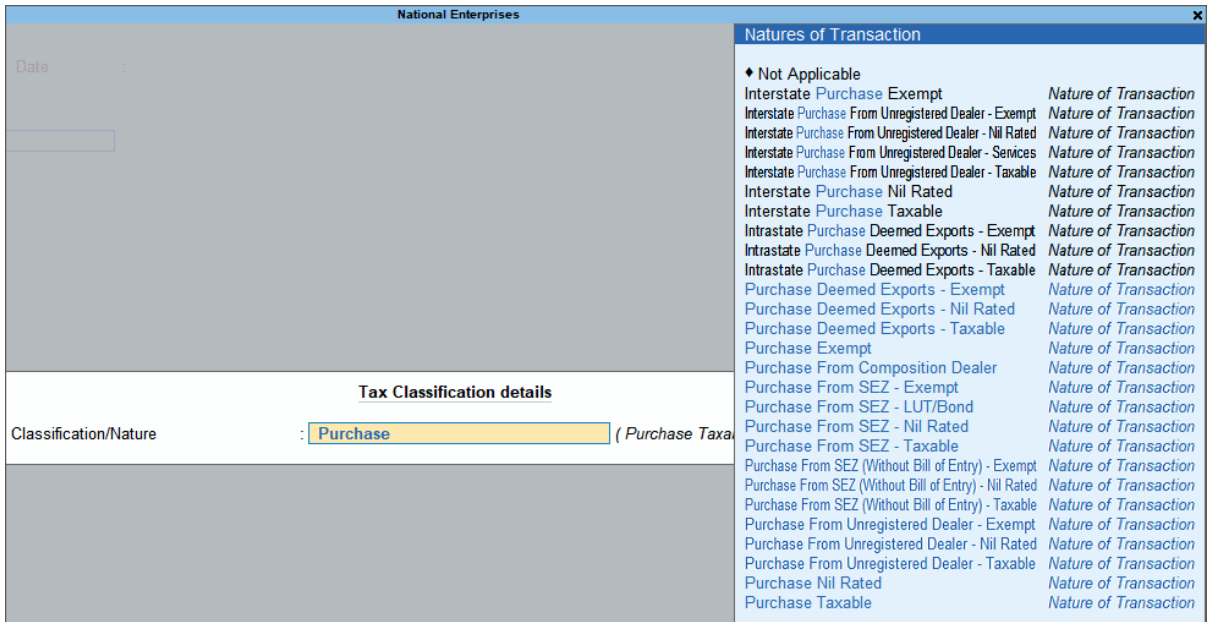
Select the Purchase Ledger in a Purchase Transaction

While recording any type of purchase transaction, you can choose either of the following methods:

- **Method 1:** For a specific type of purchase transaction, you can create or update the purchase ledger with the relevant **Nature of transaction**. Select this purchase ledger while recording the purchase transaction.



- **Method 2:** Select the common purchase ledger during the purchase transaction. Press **F12** (Configure) set the option **Modify Tax Rate details for GST** to **Yes**. Select the **Classification/Nature**.



Local purchase

The purchase of goods or services from a supplier in the same state attracts central tax and state tax.

1. **Gateway of Tally > Vouchers > F9 (Purchase).**
Alternatively, press **AMTG (Go To) > Create Voucher > press F9 (Purchase).**
2. Enter the **Supplier Invoice No.** and **Date.**
3. In **Party A/c name**, select the supplier's ledger or the cash ledger.
4. Select the common purchase ledger in which GST rate is not defined.
5. Select the stock items defined with different GST rates, and specify the quantities and rates for each of them.
6. Select the central and state tax ledgers. GST will be calculated based on the GST rates defined in the stock items.

Accounting Voucher Creation		National Enterprises	
Purchase	No. 1		5-May-20 Tuesday
Supplier Invoice No.:	12	Date :	5-May-20
Party A/c name :	Indigo Computech		
Current balance :			
Purchase ledger :	Purchases		
Current balance :			
Name of Item	Quantity	Rate per	Amount
Personal Computers	15 Nos	25,400.00 Nos	3,81,000.00
1 Ton Split Air Conditioner	18 Nos	19,200.00 Nos	3,45,600.00
			7,26,600.00
Central Tax			82,674.00
State Tax			82,674.00
Provide GST/e-Way Bill details : Yes			
Narration:		33 Nos	8,91,948.00

7. Press **Ctrl+E (More Details) > type or select GST – Tax Analysis** to view the tax details. Press **Alt+F5 (Detailed)** to view the detailed break-up of tax.

GST - Tax Analysis			
Particulars	Taxable Value	Tax rate	Duty/Tax Value
Purchase Taxable	7,26,600.00		1,65,348.00
Personal Computers			68,580.00
Item Value (Purchase Value 3,81,000.00)	3,81,000.00		
Central Tax		9%	34,290.00
State Tax		9%	34,290.00
1 Ton Split Air Conditioner			96,768.00
Item Value (Purchase Value 3,45,600.00)	3,45,600.00		
Central Tax		14%	48,384.00
State Tax		14%	48,384.00

8. Print the purchase invoice.
 - a. Press **atop (Print) > press Enter on Current.**
 - b. Press **I (Preview)** to check the invoice before printing, if needed.

- c. Press **P** (Print) to print.

Interstate Purchase

The purchase of goods or services from a supplier from another state attracts integrated tax.

1. Follow the steps used for recording a local purchase transaction, with the following changes:
 - a. Select the purchase ledger applicable for interstate purchases.
 - b. Select the integrated tax ledger.

The screenshot shows the 'Accounting Voucher Creation' window for 'National Enterprises'. The transaction is a purchase on 6-May-20. The supplier is PTS Tech Solutions. The purchase ledger is set to 'Interstate Purchases'. The items listed are 'Ultra All-In-One Computer' (90 Nos at 27,200.00) and 'Personal Computers' (25 Nos at 25,400.00). An 'Integrated Tax' of 5,54,940.00 is also recorded. The total amount is 36,37,940.00 for 115 Nos. The window also shows 'Provide GST/e-Way Bill details : Yes' and a 'Narration' field.

Name of Item	Quantity	Rate per	Amount
Ultra All-In-One Computer	90 Nos	27,200.00	24,48,000.00
Personal Computers	25 Nos	25,400.00	6,35,000.00
			30,83,000.00
Integrated Tax			5,54,940.00
			36,37,940.00

2. Press **Ctrl+E** to save.

Depending on the location of the supplier, you can record a local or interstate purchase transaction with the applicable GST rates.

Purchase of Fixed Assets

You can record taxable or exempt purchases of fixed assets (capital goods).

In this section

- Create the fixed asset ledger
- Record purchase of fixed assets

Create the fixed asset ledger

1. **Gateway of Tally > Create > type or select Ledger > and press Enter.**
Alternatively, press **AMTG (Go To) > Create Master > Ledger > and press Enter.**
2. Group it under **Fixed Assets.**

3. Select the required **Nature of transaction**. You can select the following natures of transaction for capital goods:

- Imports Exempt
- Imports Taxable
- Interstate Purchase Exempt
- Interstate Purchase from Unregistered Dealer – Services
- Interstate Purchase Taxable
- Purchase Deemed Exports – Exempt
- Purchase Deemed Exports – Taxable
- Purchase Exempt
- Purchase from SEZ – Exempt
- Purchase from SEZ – Taxable
- Purchase from SEZ (Without Bill of Entry) – Exempt
- Purchase from SEZ (Without Bill of Entry) – Taxable
- Purchase from Unregistered Dealer – Exempt
- Purchase from Unregistered Dealer – Nil Rated
- Purchase from Unregistered Dealer – Taxable
- Purchase Taxable

4. Select the **Nature of goods** as **Capital Goods**.

GST Details for Ledger:	
Machinery	
HSN/SAC Details	
Description	: Machinery
HSN/SAC	: 84017181
Nature of transaction	: Purchase Taxable
Nature of goods	: Capital Goods
Tax Details	
Taxability	: Taxable
Tax Type	Rate
Integrated Tax	28 %
Central Tax	14 %
State Tax	14 %
Cess	0 %

Nature of Goods

◆ Not Applicable

Capital Goods

5. Accept the **GST Details** screen.

Ledger Creation		National Enterprises		Total Opening Balance
Name	: Machinery			
(alias)	:			
Under	: Fixed Assets	Mailing Details	Name	: Machinery
			Address	:
			State	: Karnataka
			Country	: India
			Pincode	:
Statutory Details		Banking Details	Provide bank details	: No
Is GST applicable	: ♦ Applicable	Tax Registration Details	PAN/IT No.	:
Set/Alter GST Details	: Yes		Registration type	:
Type of Supply	: Goods		GSTIN/UIN	:
			Set/Alter GST details	: No
Opening Balance (on 1-Apr-20) :				Accept ?
				Yes or No

6. Press **Enter** to save.

Record purchase of fixed asset

1. **Gateway of Tally > Vouchers > F9** (Purchase).

Alternatively, press **AMTG** (Go To) > **Create Voucher** > press **F9** (Purchase).

2. Enter the **Supplier Invoice No.** and **Date**.

3. Press **Ctrl+E** (Change Mode) to select the required voucher mode (**Accounting Invoice**, in this case).

4. Select the ledger grouped under **Fixed Assets** with the nature of transaction set to **Purchase Taxable**, and **Nature of goods** set to **Capital Goods**.

5. Select the GST ledgers.

Particulars	Rate per	Amount
Machinery		3,50,000.00
Central Tax		49,000.00
State Tax		49,000.00

6. Press **Enter** to save.

Purchases from Other Territory

To record purchases from other territories, enable the option **Assesse of Other Territory** in the party ledger. If your company is located in the special/exclusive economic zone, enable the option **Assesse of Other Territory** in the **Company GST Details** screen.

In this section

- Other territory to other territory: Central and UT taxes are applicable
- Other territory to a state or union territory: Integrated tax is applicable
- State or union territory to other territory: Integrated tax is applicable

Other territory to other territory

1. Ensure that the option **Assesse of Other Territory** is set to **Yes** in the **Company GST Details** screen.
2. **Gateway of Tally > Vouchers > F9** (Purchases).
Alternatively, press **AMTG** (Go To) > **Create Voucher** > press **F9** (Purchase).
3. Select the party ledger in which the option **Assesse of Other Territory** is set to **Yes**.

4. Select the purchase ledger.
5. Select the stock items, enter the quantity and rate. Ensure the UT Tax rate is defined for the stock item.
6. Select the central and UT tax ledgers.

Accounting Voucher Creation			
Purchase		National Enterprises	
Supplier Invoice No.:	GM/65	Date :	26-May-20
Party A/c name :	Goutham Mart		26-May-20 Tuesday
Current balance :	4,87,163.00 Dr		
Purchase ledger :	Purchases		
Current balance :	7,26,600.00 Dr		
Name of Item	Quantity	Rate per	Amount
Air Conditioners	10 Nos	32,000.00 Nos	3,20,000.00
Central Tax			44,800.00
UT Tax			44,800.00
Provide GST/e-Way Bill details : Yes			
Narration:		10 Nos	4,09,600.00

The printed invoice appears as shown:

INVOICE					
National Enterprises Borivali East Mumbai GSTIN/UIN: 97.....0 State Name : Other Territory, Code : 97		Invoice No. 4 Supplier Invoice No. & Date. GM/65 dt. 26-May-20	e-Way Bill No. Dated 26-May-20 Other References		
Supplier (Bill from) Goutham Mart Borivali East, Mumbai State Name : State Name : Other Territory, Code : 97					
Sl No.	Description of Goods	Quantity	Rate	per	Amount
1	Air Conditioners	10 Nos	32,000.00	Nos	3,20,000.00
	<i>Central Tax</i>				44,800.00
	<i>UT Tax</i>				44,800.00
Total		10 Nos			₹ 4,09,600.00
Amount Chargeable (in words) E. & O. E INR Four Lakh Nine Thousand Six Hundred Only					
Company's GSTIN/UIN : 97.....G		for Goutham Mart Authorised Signatory			

Other territory to a state or union territory

1. Ensure that the option **Assesse of Other Territory** is set to **Yes** in the **Company GST Details** screen.
2. **Gateway of Tally > Vouchers > F9** (Purchase).
Alternatively, press **AMTG** (Go To) > **Create Voucher** > press **F9** (Purchase).
3. Select the party ledger in which the option **Assesse of Other Territory** is set to **No**.
4. Select the purchase ledger.

Note: If you are an assessed of other territory, and your supplier is of the same state but not of other territory, select a common purchase ledger. Ensure t

he tax rates (integrated, central and UT tax) are defined in the stock items. The taxes will be calculated accordingly.

5. Select the integrated tax ledger.

Accounting Voucher Creation				National Enterprises		X	
Purchase	No. 5						27-May-20
Supplier Invoice No.:	CE/82	Date	: 27-May-20				Wednesday
Party A/c name	: Chetan Enterprises						
Current balance	: 5,29,525.00 Dr						
Purchase ledger	: Purchases						
Current balance	: 10,46,600.00 Dr						
Name of Item	Quantity	Rate per		Amount			
Air Conditioners	10 Nos	32,000.00	Nos	3,20,000.00			
Integrated Tax				89,600.00			
Provide GST/e-Way Bill details: Yes							
Narration:				10 Nos			4,09,600.00

The printed invoice appears as shown below:

INVOICE

National Enterprises 5th Main Road Banashankari 3rd Stage Bangalore GSTIN/UIN: 97. [REDACTED] 0 State Name : Other Territory, Code : 97		Invoice No.	e-Way Bill No.	Dated	
		5		27-May-20	
Supplier (Bill from) Chetan Enterprises Sector 2 Gurgaon State Name : Haryana, Code : 06		Supplier Invoice No. & Date.		Other References	
		CE/82 dt. 27-May-20			
SI No.	Description of Goods	Quantity	Rate	per	Amount
1	Air Conditioners	10 Nos	32,000.00	Nos	3,20,000.00
	<i>Integrated Tax</i>				89,600.00
Total		10 Nos			₹ 4,09,600.00
Amount Chargeable (in words)					<i>E. & O.E</i>
INR Four Lakh Nine Thousand Six Hundred Only					
Company's GSTIN/UIN : 06. [REDACTED] X		for Chetan Enterprises			
		Authorised Signatory			

State or union territory to other territory

1. Ensure that the option **Assesse of Other Territory** is set to **No** in the **Company GST Details** screen.

2. **Gateway of Tally > Vouchers > F9 (Purchase).**

Alternatively, press **AMTG (Go To) > Create Voucher > press F9 (Purchase).**

3. Select the party ledger in which the option **Assesse of Other Territory** is set to **Yes**.

4. Select the purchase ledger.

Note: If you and your supplier are located in the same state, and you do not belong to other territory but your supplier is an assessed of other territory, select a common purchase ledger. Ensure that the tax rates are defined in the stock items. The taxes will be calculated accordingly.

5. Select the integrated tax ledger.

Accounting Voucher Creation			
Purchase		No. 6	28-May-20
Supplier Invoice No.:	FG/34	Date :	28-May-20
Party A/c name :	FG Appliances		28-May-20 Thursday
Current balance :	6,35,430.00 Dr		
Purchase ledger :	Purchases		
Current balance :	13,66,600.00 Dr		
Name of Item	Quantity	Rate per	Amount
Air Conditioners	18 Nos	32,000.00 Nos	5,76,000.00
Integrated Tax			1,61,280.00
Provide GST/e-Way Bill details : Yes			
Narration:			18 Nos 7,37,280.00

The printed invoice appears as shown below:

INVOICE					
National Enterprises 5th Main Road Banashankari 3rd Stage Bangalore GSTIN/UIN: 29 [REDACTED] 0 State Name : Karnataka, Code : 29			Invoice No.	e-Way Bill No.	Dated
			6		28-May-20
Supplier (Bill from) FG Appliances Sector 11 Gandhinagar State Name : State Name : Other Territory, Code : 97			Supplier Invoice No. & Date.		Other References
			FG/34 dt. 28-May-20		
SI No.	Description of Goods	Quantity	Rate	per	Amount
1	Air Conditioners	18 Nos	32,000.00	Nos	5,76,000.00
	<i>Integrated Tax</i>				1,61,280.00
	Total	18 Nos			₹ 7,37,280.00
Amount Chargeable (in words)					<i>E. & O.E</i>
INR Seven Lakh Thirty Seven Thousand Two Hundred Eighty Only					
Company's GSTIN/UIN : 97. [REDACTED] 122			for FG Appliances		
					Authorised Signatory

Nil Rated Purchases

The purchase of nil rated goods from a local or interstate supplier does not attract GST, and can be recorded using a purchase voucher. In the ledger masters of the goods or services classified as nil rated (0%), **Taxability** should be set to **Nil Rated** in the **GST Details** screen.

1. **Gateway of Tally > Vouchers > F9** (Purchase).

Alternatively, press **AMTG** (Go To) > **Create Voucher** > press **F9** (Purchase).

2. Select the applicable purchase ledger.
3. Select the stock items, enter the quantity and rate.

Accounting Voucher Creation			
Purchase		No. 6	
Supplier Invoice No.:	AT/92	Date :	29-May-20
Party A/c name :	Anand Traders		29-May-20 Friday
Current balance :	6,83,267.16 Dr		
Purchase ledger :	Nil Rated Purchases		
Current balance :			
Name of Item	Quantity	Rate per	Amount
Tomatoes	500 Kgs	56.00 Kgs	28,000.00
Potatoes	600 Kgs	39.00 Kgs	23,400.00
			51,400.00
♦ End of List			
Provide GST/e-Way Bill details : Yes			
Narration:		1,100 Kgs	51,400.00

4. Press **Ctrl+E** to save.

Depending on the location of the party, you can record a local or interstate nil rated purchase transaction.

Exempt Purchases

The local or interstate purchase of goods or services exempted from GST can be recorded using a purchase voucher. In the ledger masters of the exempted goods or services, **Taxability** should be set to **Exempt** in the **GST Details** screen.

1. **Gateway of Tally > Vouchers > F9** (Purchase).

Alternatively, press **AMTG** (Go To) > **Create Voucher** > press **F9** (Purchase).

2. Select the applicable purchase ledger.

3. Select the stock items, enter the quantity and rate.

Accounting Voucher Creation		National Enterprises			
Purchase No.	7	Date	30-May-20	30-May-20 Saturday	
Supplier Invoice No.:	KT/023				
Party A/c name	Keerthi Traders				
Current balance	51,750.00 Dr				
Purchase ledger	Purchase Exempt				
Current balance					
Name of Item	Quantity	Rate per	Amount		
Moong Dal Premium	350 Kgs	90.00 Kgs	31,500.00		
Fresh Fruits	30 Kgs	440.00 Kgs	13,200.00		
			<hr/>		
			44,700.00		
♦ End of List					
Narration:					
<hr/>					
380 Kgs 44,700.00					

4. Press **Ctrl+E** to save.

Deemed Exports

The penultimate purchases for exports can be recorded in purchase vouchers.

Effective from 18th October 2017:

- Integrated tax is applicable on interstate transactions.
- Central tax and state tax are applicable on transactions made within the state.

Prior to this date, integrated tax had to be paid on all taxable deemed exports made within and outside the state.

In this section

- Natures of transaction for deemed exports
- Record deemed exports within the state
- Record deemed exports outside the state

Natures of transaction for deemed exports

You can record deemed exports using the natures of transaction provided for interstate and intrastate purchases.

- Interstate taxable deemed export: Integrated tax is applicable for purchases recorded with the nature of transaction **Purchase Deemed Exports – Taxable**.
- Intrastate taxable deemed export: Central and state taxes are applicable for purchases from local parties recorded with the nature of transaction **Intrastate Purchase Deemed Exports – Taxable**.

- Exempt and nil rated deemed export: No tax is applicable when recorded with the following natures of transaction:
- Intrastate: **Intrastate Purchase Deemed Exports – Exempt and Intrastate Purchase Deemed Exports – Nil Rated**
- Interstate: **Purchase Deemed Exports – Exempt and Purchase Deemed Exports – Nil Rated**

Taxable deemed exports within the state

1. **Gateway of Tally > Vouchers > F9 (Purchase).**
Alternatively, press **AMTG (Go To) > Create Voucher > press F9 (Purchase).**
2. Select the party located within the state, predefined with the options:
 - **Consider Party as Deemed Exporter for Purchases set to Yes**
 - **Party Type set to Deemed Export**
3. Select the purchase ledger of intrastate deemed export nature of transaction.
4. Select the stock items, enter the quantity and rate.

The screenshot shows the 'Accounting Voucher Creation' window for 'National Enterprises'. The voucher is a 'Purchase' of type 'No. 8' dated '1-Jun-20'. The supplier invoice number is 'SM/43' and the party is 'Sapna Mart'. The purchase ledger is set to 'Intrastate Deemed Exports'. The voucher contains the following items:

Name of Item	Quantity	Rate per	Amount
Ultra All-In-One Computer	15 Nos	27,200.00 Nos	4,08,000.00
Central Tax			36,720.00
State Tax			36,720.00
			15 Nos 4,81,440.00

At the bottom, there is a 'Narration' field and a checkbox for 'Provide GST/e-Way Bill details: Yes'.

5. Press **Enter** to save.

Taxable deemed exports outside the state

1. **Gateway of Tally > Vouchers > F9 (Purchase).**

Alternatively, press **AMTG (Go To) > Create Voucher > press F9 (Purchase).**

1. Select the interstate party predefined with the options:

- **Consider Party as Deemed Exporter for Purchases** set to **Yes**
 - **Party Type** set to **Deemed Export**
2. Select the purchase ledger of interstate deemed export nature of transaction.
 3. Select the stock items, enter the quantity and rate.

Accounting Voucher Creation		National Enterprises			
Purchase	No. 9				2-Jun-20
Supplier Invoice No.:	LE/056	Date	:	2-Jun-20	Tuesday
Party A/c name	: Latha Enterprises				
Current balance	:				
Purchase ledger	: Inter-State Deemed Exports				
Current balance	:				
Name of Item	Quantity	Rate per		Amount	
Laptops	30 Nos	28,000.00	Nos	8,40,000.00	
Integrated Tax					1,51,200.00
Provide GST/e-Way Bill details : Yes					
Narration:					9,91,200.00

4. Press **Enter** to save.

Purchases from SEZ

The purchase of goods and services from a party in an SEZ can be recorded using a purchase voucher. In a transaction of purchase from SEZ, taxes are applicable based on the type of purchase.

In this section

- Types of purchase under SEZ
- Record purchase from SEZ

Types of purchase under SEZ

- **Purchase from SEZ – Taxable:** In SEZ purchases, integrated tax is applicable for both local and interstate parties. In the **Party Details** screen of the invoice, set the option **Is Bill of Entry Available** to **Yes**.
- **Purchase from SEZ – Exempt or Nil Rated:** No tax is applicable. In the **Party Details** screen of the invoice, set the option **Is Bill of Entry available** to **Yes**.

- **Purchase from SEZ without bill of entry:** Can be taxable, exempt or nil rated. In the **Party Details** screen of the invoice, set the option **Is Bill of Entry available** to **No**.
- **Purchase from SEZ – LUT/Bond:** No tax is applicable. Such purchases can be made when your supplier has signed up a letter of undertaking with the department for the sale of goods without the payment of duty. While passing the purchase transaction, you can select either the ledger created for exempt SEZ purchases or the common purchase ledger.
 - Provide the LUT/Bond details in the **Company GST Details** screen.
 - Set the option in **Is Bill of Entry available** to **Yes** in the **Party Details** screen of the invoice.

Record purchases from SEZ

1. **Gateway of Tally > Vouchers > F9 (Purchase).**
Alternatively, press **AMTG (Go To) > Create Voucher > press F9 (Purchase).**
2. Select the applicable purchase ledger.
3. Select the stock items, enter the quantity and rate.
4. Set the option **Provide GST details** to **Yes**, if you want to enter the Bill of Entry No., additional details related to ng the SEZ transaction.

Additional Details : Purchase From SEZ - Taxable			
Bill of Entry No.	:	<input type="text"/>	Date
Port Code	:		

5. Press **Enter** to return to purchase voucher.

Name of Item	Quantity	Rate per	Amount
Washing Machines	3 Nos	15,200.00 Nos	45,600.00
♦ End of List			
Provide GST details : Yes			
Narration:			3 Nos 45,600.00

6. Press **Ctrl+E** to save.

Purchase of works contract services

You can record a material out/delivery note voucher if you have sent material to works contractor. Then record a purchase invoice when you receive the service. Under GST you need to report only the purchase invoice for works contract.

1. **Gateway of Tally > Vouchers > F9** (Purchase).

Alternatively, press **AMTG** (Go To) > **Create Voucher** > press **F9** (Purchase).

2. Press **Ctrl+E** (Change Mode) to select the required voucher mode (**Accounting Invoice**, in this case).

3. In **Party A/c name**, select the supplier's ledger.

4. Enter the **Supplier Invoice No.** and **Date**.

5. In **Party A/c name**, select the supplier's ledger.

- Select the purchase ledger and enter the amount. Ensure the purchase ledger has details as shown below:

Ledger Creation

Name : **Fabrication**
(alias) :

Under : **Purchase Accounts**

Type of Ledger : **♦ Not Applicable**

Statutory Details

Is GST applicable : **♦ Applicable**
Set/Alter GST Details : **Yes**
Type of Supply : **Services**

GST Details for Ledger:
Fabrication

HSN/SAC Details

Description : **Fabrication**
HSN/SAC : **11129191**
Nature of transaction : **Purchase Taxable**

Tax Details

Taxability : **Taxable**

Tax Type **Rate**

Integrated Tax 12 %
Central Tax 6 %
State Tax 6 %
Cess 0 %

- Select the GST ledgers (central and state, or integrated) based on the state selected for the supplier ledger.
- Press **Ctrl+E** (More Details) > type or select **GST – Tax Analysis** to view the tax details. Press **Alt+F5** (Detailed) to view the detailed break-up of tax.

<u>GST - Tax Analysis</u>			
Particulars	Taxable Value	Tax rate	Duty/Tax Value
Purchase Taxable	5,68,000.00		68,160.00
<i>Fabrication (11129191)</i>			
<i>Purchase Value</i>	5,68,000.00		68,160.00
<i>Central Tax</i>		6%	34,080.00
<i>State Tax</i>		6%	34,080.00

9. Press **Esc** to return to purchase invoice.

Accounting Voucher Creation		National Enterprises	
Purchase	No. 11		4-Jun-20
Supplier Invoice No.:	PW/92	Date :	4-Jun-20
Party A/c name :	Prajwal Works Contract		
Current balance :			
Particulars	Rate per	Amount	
Fabrication		5,68,000.00	
Central Tax		34,080.00	
State Tax		34,080.00	
Narration:			6,36,160.00

10. Press **Ctrl+E** to save.

Purchases Attracting GST and TDS

You can record a purchase voucher for services that attract GST and TDS.

1. Enable the purchase ledger for TDS and GST.

Ledger Creation	
Name	: Purchase of Software License
(alias)	:
Under	: Purchase Accounts
Type of Ledger	: ◆ Not Applicable
Statutory Details	
Is GST applicable	: ◆ Applicable ←
Set/Alter GST Details	: No
Type of Supply	: Goods
Is TDS applicable	: ◆ Applicable
Nature of Payment	: Payment Royalty on Acquisition of Software [Is 194]

- Record a purchase invoice with the applicable GST rate and price per unit.

Accounting Voucher Creation		National Enterprises	
Purchase	No. 13		4-Jul-20
Supplier Invoice No.:	AM/93	Date :	4-Jul-20
Party A/c name :	Ajay Mart		
Current balance :			
Purchase ledger :	Purchases		
Current balance :	13,66,600.00 Dr		
Name of Item	Quantity	Rate per	Amount
Refined Sugar	325 Kgs	45.00 Kgs	14,625.00
Central Tax			1,316.25
State Tax			1,316.25
Narration:			325 Kgs
			Accept ?
			Yes or No

- To view the purchase price while recording a sales invoice, go to sales invoice.
- Select the stock item > press **Altos'** to view the stock query report.

Accounting Voucher Creation	
Sales	No. 30
Party A/c name :	Prajna Mart
Current balance :	4,23,620.00 Dr
Sales ledger :	Sales
Current balance :	1,24,88,480.00 Cr
Name of Item	
Refined Sugar	

Alternatively, press **AMTG** (Go To) > type or select **Stock Query** > select the stock item for which you want to view the purchase price.

4. The **Stock Query** report displays the purchase price. Press **Alt+F7** (Show Stat Info) to view the tax rates.

Purchases						Sales - Prajna Mart					
Date	Party Name	Quantity	Rate	Disc %	Amount	Date	Vch No.	Quantity	Rate	Disc %	Amount
4-Jul-20	Ajay Mart	325 Kgs	45.00		14,625.00						
<i>Total</i>											
Godown /Batch Details			Items of Same Category								
Godown	Batch	Quantity	Item Name	Quantity	Cost	Sale Price					
Main Location	Primary Batch	325 Kgs									
<i>Total</i>											

5. Note down the purchase price and press **Esc** to return to sales invoice.

Note: For a company located in Kerala, if the option **Kerala Flood Cess applicable** is enabled in **Company GST Details** screen, the **Rate of KFC (%)** column will appear with the cess defined in the stock item master.

Purchases						Sales - Prajna Mart					
Date	Party Name	Quantity	Rate	Disc %	Amount	Date	Vch No.	Quantity	Rate	Disc %	Amount
4-Jul-20	Ajay Mart	325 Kgs	45.00		14,625.00						
<i>Total</i>											
Godown /Batch Details			Items of Same Category								
Godown	Batch	Quantity	Item Name	Quantity	Cost	Sale Price					
Main Location	Primary Batch	325 Kgs									
<i>Total</i>											

6. Enter the sale price based on the purchase price available in the **Stock Query** report.

To enter the **Rate (Incl. of Tax)**, press **F12** (Configure) > set **Provide Rate Inclusive of Tax for Stock Items** to **Yes**.

Accounting Voucher Creation		National Enterprises			X
Sales		No. 30		6-Jul-20 Monday	
Party A/c name : Prajna Mart					
Current balance : 4,23,620.00 Dr					
Sales ledger : Sales					
Current balance : 1,24,88,480.00 Cr					
Name of Item	Quantity	Rate (Incl. of Tax)	Rate per	Amount	
Refined Sugar	250 Kgs	66.00	55.93 Kgs	13,982.50	
Central Tax				1,258.43	
State Tax				1,258.43	
Narration:					
				250 Kgs	
					Accept ?
					Yes or No

7. Press **Enter** to save.

Purchase Returns in GST

You can record purchase returns or de-escalation of the purchase value (both local and interstate) against an earlier purchase transaction using a debit note. You can use the voucher mode of credit note to record the escalation of purchase value.

1. **Gateway of Tally > Vouchers > press F10** (Other Vouchers) type or select **Debit Note >** and press **Enter**.
Alternatively, press **AMTG** (Go To) > **Create Voucher > press F10** (Other Vouchers) > type or select **Debit Note >** and press **Enter**.
2. In **Party A/c name**, select the party from whom the original purchase was made.
3. In the **Party Details** screen, enter the **Original Invoice No.** and **Date** of the original purchase transaction against which you are recording the purchase return.
4. Select the central and state tax ledgers.
5. Set the option **Provide GST details** to **Yes**, if you want to enter additional details about the transaction.

Additional Details : Purchase Taxabl		List of Reasons
Reason for Issuing Note :	<input type="text"/>	◆ Not Applicable
Supplier's Debit/Credit Note No. :		01-Sales Return
		02-Post Sale Discount
		03-Deficiency in services
		04-Correction in Invoice
		05-Change in POS
		06-Finalization of Provisional assessment
		07-Others

When the seller has not uploaded the credit note, the buyer has to upload the debit note from the viewpoint of outward supply. Hence, the list of **Reason for Issuing Note** is same in debit note and credit note.

1-Sales Return – When there is a return of goods or services after sales.

2-Post sale discount – When discount is allowed on goods or services after sales.

3-Deficiency in services – When there is a deficiency in services (like a quality issue) after sales.

4-Correction in Invoice – When there is a change in the invoice raised that leads to change in tax amount.

5-Change in POS – When there is a change in place of supply that leads to change in tax amount.

6-Finalization of Provisional assessment – When there is a change in price or rate after the department issues a notification about the finalized price of the goods or services.

7-Others – Any other nature of return.

Accounting Voucher Creation		National Enterprises		7-May-20 Thursday	
Debit Note No. 1					
Party A/c name : Indigo Computech					
Current balance : 8,91,948.00 Cr					
Ledger account : Purchases					
Current balance : 13,81,225.00 Dr					
Name of Item	Quantity	Rate per	Amount		
Personal Computers	1 Nos	25,400.00 Nos	25,400.00		
Central Tax			2,286.00		
State Tax			2,286.00		
Provide GST details : Yes					
Narration:				1 Nos	29,972.00

6. Press **Ctrl+E** to save.

Similarly, you can record purchase returns against an interstate purchase by selecting the relevant party, purchase ledger, and integrated tax ledger.

Under GST invoicing rules, issuing of supplementary invoice has not been defined. You can record the adjustment to purchases using debit/credit note.

Change in Assessable Values of Purchases in GST

You can account for any change in consideration, including increase or decrease in purchase price with GST, in debit or credit note.

- Increase in assessable value of purchase
- Decrease in assessable value of purchase

Increase in assessable value of purchases

1. **Gateway of Tally > Vouchers > press F10 (Other Vouchers) > type or select Credit Note > and press Enter.**
Alternatively, press **AMTG (Go To) > Create Voucher > press F10 (Other Vouchers) > type or select Credit Note > and press Enter.**
2. Press **Ctrl+E (Change Mode)** to select the required voucher mode (**Item Invoice**, in this case).
3. Select the **Party A/c name** and provide the supplier details. You can also enter the **Original Invoice No.** and **Date**, against which this transaction is being recorded.

4. In the **Ledger account** field, press **Enter** on **Show More >** select the purchase ledger to allocate the stock items.
5. Provide the stock item details and enter the amount.
6. Select the tax ledgers.
7. Set the option **Provide GST details** to **Yes**, and select the **Reason for Issuing Note**.
8. Select the bill-wise details against which this transaction is being recorded.

Accounting Voucher Creation		National Enterprises	
Credit Note No. 1		7 May-20 Thursday	
Party A/c name	: Indigo Computech		
Current balance	: 8,61,976.00 Cr		
Ledger account	: Purchases		
Current balance	: 13,55,825.00 Dr		
Name of Item		Quantity	Rate per
			Amount
Personal Computers			15,000.00
Central Tax			1,350.00
State Tax			1,350.00
Provide GST details : Yes			
Narration:			17,700.00

What you see on the screen can vary based on your choices. Press F12 (Configure) to change the options and F11 (Features) to enable or disable features.

9. Accept the screen. As always, you can press **Ctrl+E** to save.

Decrease in assessable value of purchases

1. **Gateway of Tally > Vouchers >** press **F10** (Other Vouchers) > type or select **Debit Note >** and press **Enter**.
Alternatively, press **AMTG** (Go To) > **Create Voucher >** press **F10** (Other Vouchers) > type or select **Debit Note >** and press **Enter**.
2. Press **Ctrl+E** (Change Mode) to select the required voucher mode (**Item Invoice**, in this case).
3. Select the **Party A/c name** and provide the buyer details. You can also enter the **Original Invoice No.** and **Date**, against which this transaction is being recorded.

4. In the **Ledger account** field, press **Enter** on **Show More >** select the purchase ledger to allocate the stock items.
5. Provide the stock item details and enter the amount.
6. Select the tax ledgers.
7. Select the bill-wise details against which this transaction is being recorded.

Accounting Voucher Creation		National Enterprises	
Debit Note No. 2		14-Jul-20 Tuesday	
Party A/c name : KR Enterprises			
Current balance : 11,41,273.34 Dr			
Ledger account : Purchases			
Current balance : 13,70,825.00 Dr			
Name of Item	Quantity	Rate per	Amount
Washing Machines			7,500.00
Central Tax			675.00
State Tax			675.00
Provide GST details : Yes			
Narration:			8,850.00

8. Accept the screen. As always, you can press **Ctrl+E** to save.

Apportion Additional Ledger Value to Stock Item to Calculate GST

You may want to allocate the additional ledger value to stock items and calculate GST on it.

You can automate the allocation of such expenses for GST calculation.

In this section

- Enable additional ledger to include it for GST calculation
- Record purchases by calculating GST on additional ledger value

Enable additional ledger to include it for GST calculation

1. Enable the expense ledger to track the additional costs on purchase.
 - a. In the expense ledger, set **Is GST applicable** to **Not Applicable**.
 - b. Set **Include in assessable value calculation for** to **GST**.
 - c. Select **Goods** or **Services** or **Both** in the **Appropriate to** field.
 - d. Select the **Method of Calculation** as needed. When you select **Appropriate to** as **Services** or **Both**, the **Method of calculation** will be set to **Based on**

Value.

Ledger Creation		National Enterprise
Name	: Packing Material	
(alias)	:	
Under	: Indirect Expenses	Mailing Details Name Address
Type of Ledger	: ♦ Not Applicable	State Country Pincode
Statutory Details		Banking Details Provide bank details
Is GST applicable	: ♦ Not Applicable	Tax Registration Details PAN/IT No.
Set/Alter GST Details	: No	Methods of Apportion Based on Quantity Based on Value
Include in assessable value calculation for	: GST	
Appropriate to	: Goods	
Method of Calculation	: Based on Quantity	

2. Press **Ctrl+E** to save the expense ledger.

The additional costs/expenses incurred can be allocated to each item based on Quantity or Value.

Record purchases by calculating GST on additional ledger value

When you select the additional ledger enabled to be apportioned to assessable value for GST calculation, the GST amount will be calculated accordingly.

1. In the purchase invoice (press **Ctrl+E** and select **Item Invoice** mode), select the required stock items.
2. Select the additional expenses ledger and enter the amount.

Accounting Voucher Creation		National Enterprises	
Purchase	No. 16		12-Sep-20 Saturday
Supplier Invoice No.:	PE/034	Date :	12-Sep-20
Party A/c name :	Prithvi Enterprises		
Current balance :			
Purchase ledger :	Purchases		
Current balance :	23,72,525.00 Dr		
Name of Item	Quantity	Rate per	Amount
Mobile Phones	10 Nos	7,500.00 Nos	75,000.00
Central Tax			7,500.00
State Tax			6,000.00
Provide GST/e-Way Bill details : Yes			
Narration:		10 Nos	

Warning

Central Tax and State Tax values do not match (Verify Central Tax and State Tax amount in the Tax Analysis report in Ctrl+I: More Details)

Press any key to continue

The same information will appear in the following screens:

- In the **GST – Tax Analysis** screen as a note, as shown below:

GST - Tax Analysis			
Particulars	Taxable Value	Tax rate	Duty/Tax Value
Purchase Taxable	75,000.00		13,500.00
Mobile Phones			13,500.00
Item Value (Purchase Value 75,000.00)	75,000.00		
Central Tax		10%	7,500.00
State Tax		8%	6,000.00
Total			13,500.00

Note: Central Tax and State Tax values do not match.

- The warning message will appear when you press **atop** (Print) > press **Enter** on **Current** > to print the voucher.

The GST portal will not accept the GST returns if:

- The value of State Tax does not match with Central Tax value.
- The value of UT Tax does not match with Central Tax value, when a Union Territory is selected in the company's **State** field, or the company is an assessed of other territory.

This message will appear when there is a mismatch in Central Tax and State/UT Tax values, in transactions recorded in the invoice mode of purchase, debit note, and credit note. You need to correct the GST rates and values, as applicable, before saving and/or printing the invoice.

3.3 SALES VOUCHER WITH GST

Use the step by step process to create sales voucher in Tally.

Screen:	Gateway of Tally
Path:	Tally Main → Gateway of Tally
	Step1: To enter the voucher creation screen, select the menu option 'Accounting Vouchers'.
Screen:	Accounting Voucher Creation
Path:	Gateway of Tally → Accounting Voucher Creation
	Step2: Button → ' Sales ': Click on the button named 'Sales' or press 'F8', if Tally ERP 9 is not already in 'Sales Voucher' mode.
	Step3: Field → ' Reference No ': Specify the reference number like the customer's PO number.
	Step4: Field → ' Party's A/c Name ': Choose the relevant customer name to whom sales have been made.
	Step5: Field → ' Sales Ledger ': Under the list, choose a sales account. Tally can process only those ledgers which have been created under the account group 'Sales Accounts'.
	Step6: Field → ' Name of Item ': Choose the stock item that has been sold.
	Step7: Specify the sold quantity of the stock item.
	Step8:

	Field → ' Rate ': Specify the price of per unit at which the stock item was sold.
	Step9: Field → ' per ': Tally ERP proposes the UOM. This UOM was selected when we create this stock item 'master'.
	Step10: Field → ' Amount ': Tally multiplies the rate fields and quantity. It automatically proposes the amount. In Tally, there is no need to modify the amount.
	Step11: Field → ' Name of Item ': In the same invoice, if we have sold more than 1 stock item to the customer, select another stock item. Else, we will select 'End of List'.
	Step12: Field → ' Name of Item ': Choose another ledger. This ledger needs to be included in the invoice.
	Step13: Field → ' Narration ': Specify a narration if we needed.
Screen:	Gateway of Tally
Path:	Tally Main → Gateway of Tally
	Step14: Select the menu item 'Display' to see the impact of voucher entry on the relevant ledgers.
Path:	Gateway of Tally → Display Menu
	Step15: Choose the option 'Account Books'.
Path:	Gateway of Tally → Display Menu → Account Books
	Step16: Choose the option 'Ledger'.
Screen:	Select Item
Path:	Gateway of Tally → Display Menu → Account Books → Select Item
	Step17: Field → ' Name of ledger ': Choose the sales account, and that ledger will

	be displayed.
Screen:	Ledger Voucher
Path:	Gateway of Tally → Display Menu → Account Books → Ledger Vouchers
	<p>Step18:</p> <p>Using the sales voucher, we can see that the sales ledger has been credited. In the customer account, the corresponding debit entry can be found.</p>
	<p>Step19:</p> <p>Similarly, display the account of the customer. We can see that the account of the customer has been debited.</p>
Screen:	Gateway of Tally
Path:	Tally Main → Gateway of Tally
	<p>Step20:</p> <p>Select 'Profit & Loss A/c' from the Display menu to see the impact on the 'Profit & Loss A/c'.</p>
Screen:	Profit & Loss A/c
Path:	Gateway of Tally → Profit & Loss A/c
	<p>Step21:</p> <p>The 'Profit & Loss A/c' is used to show the profit numbers and sales amount.</p>
	<p>Step22:</p> <p>Button → 'Detailed': In condensed mode, profit & loss are displayed. In condensed mode, only the account groups are displayed. Click on the button named 'Debited' or press 'Alt'+ 'F1' to see the details.</p>
Screen:	Gateway of Tally
Path:	Tally Main → Gateway of Tally
	<p>Step23:</p> <p>Select 'Balance Sheet' from the Gateway of Tally to see the impact of the sales entry on the Balance sheet.</p>
Screen:	Balance Sheet
Path:	Gateway of Tally → Balance Sheet
	<p>Step24:</p> <p>At the group level, the balance sheet is shown. Under 'Current Assets',</p>

	customer accounts are included.
	Step25: Button → ' Detailed ': Click on the button named 'Detailed' or press 'Alt'+F1' to see the details.
Screen:	Gateway of Tally
	Tally Main → Gateway of Tally
	Step26: Select the menu item 'stock summary' to see the impact on the inventory of company records.
Screen:	Stock Summary
Path:	Gateway of Tally
	Step27: After the sales entry stock summary shows the on-hand inventory, which is the inventory left.
	Step28: Button → ' Detailed ': To see the details like quantity and rate, click on button named 'Detailed' or press 'Alt'+F1'.
	Step29: Button → ' Show Profit ': At the level of stock item, Tally ERP can show the gross profit earned. To see the same, click on button named 'Show Profit' or press 'F7'.
Screen:	Accounting Voucher Alteration (Secondary)
Path:	Gateway of Tally → Display Menu → Day Book → Accounting Voucher Alteration
	Step30: Button → ' Print ': Click on the button named 'Print' or press 'Alt'+p' to print an invoice to be sent to a customer.
Screen:	Voucher Printing
	Step31: Tally is used to allow the different ways to change the printing parameters, and as per our preference, we will generate an invoice. To print the invoice, click 'Yes'.
	Step32:

	It provides a specimen of the invoice as it would look when printing has been given for the readers benefit.
	Step33: Now, we will provide a quick look of the printing invoice as it relates to the sales voucher has been given for the readers benefit.

3.4 GST RETURNS AND PAYMENTS

One of the key aspects of the GST era is that most of the indirect taxes - for which returns had to be filed separately for various businesses - have been subsumed. Today, irrespective of whether one is a trader, manufacturer, reseller or service provider, one needs to file GST returns online, in the prescribed formats.

Under GST, there are 19 GST return forms, which tax payers can use to file GST returns online. All these forms are required to be e-filed as per the GST return filing process laid down in the GST return rules section of the GST Act. The details of each of these GST return formats, along with details of applicability and periodicity, are as follows –

GST Returns Forms - At a Glance

Category	GST Return Types	Frequency	Due Date	Details to be Furnished
Regular Dealer	Form GSTR-1	Monthly	10th of succeeding month	Furnish details of outward supplies of taxable goods and/or services affected
	Form GSTR-2A	Monthly	On 11th of succeeding Month	Auto-populated details of inward supplies made available to the recipient on the basis of Form GSTR-1 furnished by the supplier
	Form GSTR-	Monthly	15th of	Details of inward

	2		succeeding month	supplies of taxable goods and/or services for claiming the input tax credit. Addition (Claims) or modification in Form GSTR-2A should be submitted in Form GSTR-2.
	Form GSTR-1A	Monthly	17th of succeeding month	Details of outward supplies as added, corrected or deleted by the recipient in Form GSTR-2 will be made available to the supplier
	Form GSTR-3	Monthly	20th of succeeding month	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of the amount of tax
	Form GST MIS-1	Monthly	—	Communication of acceptance, discrepancy or duplication of input tax credit claim
	Form GSTR-3A	—	15 Days from Default	Notice to a registered taxable person who fails to furnish returns

	Form GSTR-9	Annually	31st Dec of next fiscal	Annual Return – furnish the details of ITC availed and GST paid which includes local, interstate and import/exports
Composite Tax Payer	Form GSTR-4A	Quarterly	—	Details of inward supplies made available to the recipient registered under composition scheme on the basis of Form GSTR-1 furnished by the supplier
	Form GSTR-4	Quarterly	18th of succeeding month	Furnish all outward supply of goods and services. This includes auto-populated details from Form GSTR-4A, tax payable and payment of tax.
	Form GSTR-9A	Annual	31st Dec of next fiscal	Furnish the consolidated details of quarterly returns filed along with tax payment details.
Foreign Non-Resident Taxpayer	Form GSTR-5	Monthly	20th of succeeding month or within	Furnish details of imports, outward supplies, ITC

			7 days after the expiry of the registration	availed, tax paid, and closing stock
Persons providing online information and database access or retrieval services	Form GSTR-5	Monthly	20th of succeeding month	Details of outward supplies of online information and database access or retrieval services by a person located outside India made to non-taxable persons in India
Input Service Distributor	Form GSTR-6A	Monthly	On 11th of succeeding month	Details of inward supplies made available to the ISD recipient on the basis of Form GSTR-1 furnished by the supplier
	Form GSTR-6	Monthly	13th of succeeding month	Furnish the details of input credit distributed
Tax Deduct or	Form GSTR-7	Monthly	10th of succeeding month	Furnish the details of TDS deducted
	Form GSTR-7A	Monthly	TDS certificate to be made available for download	TDS Certificate – capture details of value on which TDS is deducted and deposit on TDS

				deducted into appropriate Govt.
E-commerce	Form GSTR-8	Monthly	10th of succeeding month	Details of supplies effected through e-commerce operator and the amount of tax collected on supplies
	Form GSTR-9B	Annually	31st Dec of next fiscal	An annual statement containing the details of outward supplies of goods or services or both effected through an e-commerce operator, including the supplies of goods or services or both returned and the amount collected under
Aggregate Turnover Exceeds INR 2 Crores	Form GSTR-9C	Annually	Annual, 31st Dec of next fiscal	Reconciliation Statement – audited annual accounts and a reconciliation statement, duly certified.
Final Return (for taxable persons whose registration	Form GSTR-10	Monthly	Within 3 months from the date of	Furnish details of inputs and capital goods held, tax paid

has been surrendered or cancelled)			cancellation of registration or date of cancellation Order, whichever is later	and payable.
Specialised agency of the United Nations Organisation or any multilateral Financial Institution and notified United Nations Bodies, Consulate or Embassy of foreign countries	Form GSTR-11	Monthly	28th of succeeding month	Details of inward supplies to be furnished by a person having UIN

How to file GST returns online?

You can file the GST return online as follows.

Step 1: Register for GSTIN

For those taxpayers who are not registered, you need to register to get the GSTIN number. It is a 15-digit number that is generated based on your state code of operation and PAN.

Step 2: Log in to the GST portal

You must log in to the GST portal (<https://www.gst.gov.in/>) using your username and password and then click on the tab called 'Services'.

Step 3: Returns dashboard

You will see an option called the 'Returns dashboard'. Click on that. You will be asked to choose a financial year for which you are filing the GST return. Choose the appropriate one from the drop-down menu provided.

Step 4: Prepare online

You must then select the return you wish to file. You will be given options of how you wish to file. For the online GST return process, click on the 'Prepare Online' option.

Step 5: Enter details

You will need to enter all the details correctly in the fields provided. Note that if you have any pending late fees, you must fill in the details of that as well when you are filing your GST returns. Next, you need to save the form and then submit it.

Step 6: Check submission status

When the GST return form has been submitted, you need to ensure the status of the GST return has been changed to 'Submitted'.

Step 7: Tax payment

When the status shows the return has been submitted, then you need to click on 'Payment of Tax.' You will see a 'Check Balance' option which you need to click. The balance shown will reveal the credit and cash balance.

Step 8: Offset liability

You must click on the option that says 'Offset Liability' to make the GST payment online in a few minutes. You need to then check the relevant boxes for declaration purposes. Then click on 'File Form with DSC'/'File Form with EVC' and then make the payment.

There are numerous GST return forms available and filling each can have additional steps or even lesser steps than the general steps outlined above. The details of how to fill in the details can be found on the official GST website. Before you fill out any GST form, you should keep all the information and details close by. Using a software solution such as Tally Prime is advised to ensure no errors are made during filing the return process.

Who Should File GST Return

According to the GST Act, a taxable person has established a business in India, in any state, and is eligible to be registered under the act. This person must be a part of a trade or commerce or any economic activity. This includes local authority, LLP, HUF, individuals, cooperative society, trust, and an AOP/BOI. All such entities must then file GST returns as specified by the GST scheme.

The GST regime has stated that all businesses need to file GST returns but the frequency of the returns and when to file depends on the total annual turnover and the type of business. The businesses that have an aggregate turnover of up to Rs. 5 crores can choose to file their

GST returns under the QRMP scheme. They will need to file 9 GST returns per year; 4 GSTR-1 returns, 4 GSTR-3B returns, and one annual return must be submitted.

The businesses that have an aggregate annual turnover of over Rs. 5 crores and those who have not chosen the QRMP scheme are required to file GST returns twice per month. Moreover, they must file one annual return. That makes up a total of 25 GST returns per year. Note that in many cases such as composition dealers, there are other returns required to be filed and submitted according to the GST regime.

Upcoming dates to file GST return

Return form	Due date	Filing frequency
GSTR-1	11th day of the next month	Monthly
	13th day of the month after the quarter	Quarterly for those under QRMP scheme
IFF (optional according to the QRMP scheme)	13th day of the next month	Monthly (for the initial two months of the quarter)
GSTR-3B	20th day of the next month	Monthly
	For those with annual aggregate turnover less than or equal to Rs. 5 crore who also have opted for the QRMP scheme the 22nd day of the month after the quarter for category X states and UTs, and 24th day of the month after the quarter for category Y states and UTs	Quarterly for those under QRMP scheme
CMP-08	18th day of the month after the quarter	Quarterly
GSTR-4	30th day of the month after the financial year	Annually
GSTR-5	20th day of the next month	Monthly
GSTR-5A	20th day of the next month	Monthly
GSTR-6	13th day of the next month	Monthly
GSTR-7	10th day of the next month	Monthly
GSTR-8	10th day of the next month	Monthly

GSTR-9	31st December of succeeding financial year	Annually
GSTR-9C	31st December of succeeding financial year	Annually
GSTR-10	Within three months since the cancellation	Once only when cancellation or surrendering occurs
GSTR-11	28th day of the month that comes after the month during which the statement was filed	Monthly
ITC-04	25th April	Annually (for AATO less than and equal to Rs. 5 crore)
	25th October and 25th April	Half-yearly (for AATO more than Rs. 5 crore)

3.5 PARTY LEDGER ANALYSIS

You can create party ledgers with whom you purchase and sell goods and services, with the GST registration details.

You can create supplier Ledger , customer Ledger and enter the GSTIN/UIN based on the party type .

You can set GST rates in the ledger grouped under non-revenue accounts, for example, **Current Assets** and **Current Liabilities**. If you have created the party ledgers under groups other than Sundry debtors, Sundry creditors, Bank, Cash, and Branch/divisions:

- Open the ledger in alteration mode.
- Set the option **Is GST Applicable?** to **Not Applicable**, to consider it as a party ledger.
- Accept the ledger.

To create a supplier ledger

1. Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**.
2. Enter the **Name** of the supplier's ledger.
3. Select **Sundry Creditors** from the **List of Groups** in the **Under** field.
4. Set the option **Maintain balances bill-by-bill?** to **Yes**.

5. Enter the **Default credit period**, if any.
 6. Set the option **Inventory values are affected?** to **Yes**, if required.
 7. Select the party **Registration type**, and enter the **GSTIN/UIN**.
 8. Enable the option **Set/Alter GST Details?** to open the **GST Details** screen.
- Set the option **Assesse of Other Territory?** to **Yes** if the party is belonging to Exclusive Economic Zone (other territory).
 - If the supplier is an e-commerce operator, then enable the option **Is e-commerce operator?**

The **GST Details** screen appears as shown below:

<u>GST Details</u>	
Registration type	: Regular
Assessee of Other Territory	? No
Is e-commerce operator	? No
Consider Party as Deemed Exporter for Purchases	? No
Party Type	: [Not Applicable
GSTIN/UIN	: 29 [REDACTED] Z3
Is a transporter	? No

o Press **Ctrl+E** to accept.

The **Ledger Creation** screen appears as shown below:

Ledger Creation		National Enterprises		Ctrl + M
Name : Anand Traders			Total Opening Balance	
(alias) :				
Under : Sundry Creditors (Current Liabilities)		<u>Mailing Details</u>		
Maintain balances bill-by-bill	? Yes	Name	: Anand Traders	
Default credit period	:	Address	: Panduranga Nagar, BG Road	
Check for credit days during voucher entry	? No	Country	: India	
Inventory values are affected	? No	State	: Karnataka	Pincode :
		(Select the applicable state to calculate GST during voucher entry.)		
		Provide bank details	? No	
		<u>Tax Registration Details</u>		
		PAN/IT No.	: ALHFT3161D	
		Registration type	: Regular	
		GSTIN/UIN	: 29 [REDACTED] Z3	
		Set/alter GST details	? Yes	
Opening Balance (on 1-Apr-2017) :				

9. Press **Enter** to save.

Note: The name of new union territory **Dadra & Nagar Haveli and Daman & Diu** is provided in **Release 6.6.3**. All masters with **Daman & Diu** and **Dadra & Nagar Haveli** are automatically updated with the name of new union territory. You have to manually specify the new GSTIN/UIN. In case you want to view state/union territory and GSTIN/UIN of the party before the merger, you can enable the option **Show state and GSTIN/UIN (before reorganisation) for Dadra & Nagar Haveli and Daman & Diu** under **F12: Configure**. The fields **State (before reorganisation)** and **GSTIN/UIN (before reorganisation)** are displayed with the details specified before reorganisation. The **GSTIN/UIN (before reorganisation)** does not appear if the pre-merger UT was **Dadra and Nagar Haveli**.

To create a customer ledger

1. Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**.
2. Enter the **Name** of the customer's ledger.
3. Select **Sundry Debtors** from the **List of Groups** in the **Under** field.
4. Set the option **Maintain balances bill-by-bill?** to **Yes**.
5. Enter the **Default credit period**, if any.
6. Select the party **Registration type**, and enter the **GSTIN/UIN**.
7. Enable the option **Set/Alter GST Details?** to open the **GST Details** screen.
 - Set the option **Assesse of Other Territory?** to **Yes** if the party is belonging to Exclusive Economic Zone (other territory).
 - If the supplier is an e-commerce operator, then enable the option **Behave as e-Commerce Operator?**

The **GST Details** screen appears as shown below:

GST Details	
Registration type	: Regular
Assessee of Other Territory	? No
Is e-commerce operator	? No
Consider Party as Deemed Exporter for Purchases	? No
Party Type	: [Not Applicable
GSTIN/UID	: 29. [REDACTED] Z3
Is a transporter	? No

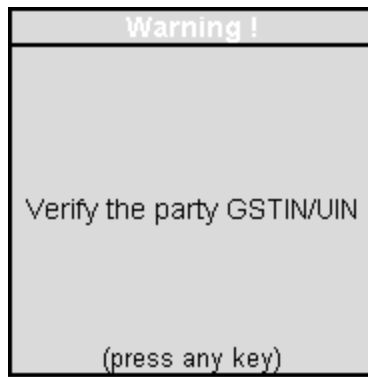
o Press **Ctrl+E** to accept.

The **Ledger Creation** screen appears as shown below:

Ledger Creation		National Enterprises		Ctrl + M	
Name : Nanda Traders			Total Opening Balance		
(alias) :					
Under : Sundry Debtors (Current Assets)			Mailing Details		
Maintain balances bill-by-bill ? Yes			Name : Nanda Traders		
Default credit period :			Address : Hongasandra, Hosur Road		
Check for credit days during voucher entry ? No			Country : India		
Inventory values are affected ? No			State : Karnataka Pincode : 560068		
			(Select the applicable state to calculate GST during voucher entry.)		
			Provide bank details ? No		
			Tax Registration Details		
			PAN/IT No. : ALRTR5533F		
			Registration type : Regular		
			GSTIN/UID : 29. [REDACTED] Z3		
			Set/alter GST details ? Yes		
Opening Balance (on 1-Apr.2017) :					

GSTIN/UID Format

The GSTIN/UID entered in party ledger gets validated by considering the formats prescribed for all the party types. If a GSTIN/UID does not fall in the supported formats, a warning message appears as shown below:



If you have provided a valid GSTIN/UIN (the format that is newly introduced by the department), you can ignore this message and save the ledger. The transactions recorded using this ledger will appear as exceptions in the **Information required for generating table-wise details not provided** section of **GSTR-1, GSTR-2** and **GSTR-4** (applicable till 31st March, 2019).

Note: In GSTR-4, the exception appears only for purchases under reverse charge.

You can do the following to include such transactions in the returns.

- Click **C : Accept GSTIN/UIN** .
- Press **Enter** to skip the GSTIN/UIN validation and accept the voucher.

To move the voucher back to exceptions, click **V : Validate GSTIN/UIN** in the **Vouchers Accepted without Party GSTIN/UIN Validation** screen.

3.6 MIS – PURCHASE, SALES, STOCK ANALYSIS AND REPORTS

MIS report is one of the most important tools for any business. It gives you a clear picture of where your business stands and where it needs to improve. In this blog post, we'll inform you everything about MIS reports and how to prepare an MIS report in Tally and Excel.

MIS Report Full Form: MIS stands for a management information system. Executives and the top tier management from all departments, refer to the MIS reports that are created after collecting, comparing, and analysing data related to daily tasks and overall business processes.

What is MIS Report?

MIS report provides a summarised and bulletin view of different verticals that are required to be monitored for the proper functioning of your business. The primary use of this report is to take set parameters and compare them to the performance of business operations.

How MIS Report Works?


















They provide a concise view of a company's performance in terms of revenue, orders, customer queries, HR indices, employee performance, and attrition. It helps identify problems, pressure points, and bottlenecks. Essentially, MIS is a combined solution of systems, hardware, processes, storage, and generating reports for efficient management of an organization.

By analysing the variance between the estimated target with the achieved results, businesses can adopt new practices that would result in higher performance. The primary contribution of these reports is to condense disparate figures to provide insights into the business model.

Types of Management Information System Reports

WHAT ARE THE TYPES OF MANAGEMENT INFORMATION SYSTEM REPORTS?

There are different types of reports that come under management information system. You can easily generate these MIS reports in Excel and Tally. Some of them are :

 Sales MIS Reports <p>Sales MIS report is created and managed by the sales and marketing departments for transactional analysis of various products and services.</p>	 MIS Reports in Accounts <p>These reports in accounts provide details regarding assets, liabilities, expenditures, and income. Developed by manufacturing, marketing, sales, etc.</p>
 BUDGET REPORTS <p>In any business, creating a budget report is necessary to manage allotted finances and to minimize expenses. Some common budget reports that can be generated include production budget, expense budget, cash budget, etc.</p>	 PRODUCTION REPORTS <p>The manufacturing department is responsible for the creation of production reports which include the comparison of set production targets and the final production count.</p>
 Cashflow Statement Report <p>With this Management Information System report, the business operations department can analyse the inflow and outflow of cash, to check the overall transactions at a certain period.</p>	 Funds Statement Report <p>Funds Statement Report is processed by the accounting and finance team to keep a track of the fund sources. It is also created to check where the funds have been utilised.</p>
 Profit Report <p>Profit reports are created by the accounts department to check the difference between actual and estimated profit (or loss) at a certain time span.</p>	 Abnormal Losses Reports <p>Coming under the umbrella of the manufacturing department, the report on abnormal losses can help businesses reduce expenditure.</p>
 Income Statement Report <p>Reports for income, taxes, ledgers, and balance sheets are crucial for assessing the financial data of shareholders and investors.</p>	 Costing Reports <p>Cost reports are one of the most important aspects of MIS. Whether it is a small business or an enterprise, overall costs incurred by different departments are analysed to see if they can be reduced.</p>
 HR MIS REPORTS <p>It helps in analysing the performance of employees at a certain time. It calculates the total amount of tasks, assignments, or projects completed by different employees in that duration.</p>	 INVENTORY REPORTS <p>MIS provides inventory reports to which raw material is in surplus and which ones need to be replenished. It also helps in keeping the daily, weekly, monthly, and quarterly production and stock statements.</p>
 Statistical Publications <p>Statistical publications and information are required for decision making and plan to make. This kind of MIS system report is important for analyzing the data and developing accurate reports.</p>	 Orders in Hand Report <p>Funds Statement Report is processed by the accounting and finance team to keep a track of the fund sources. It is also created to check where the funds have been utilised.</p>
 Machine Utilisation Report <p>This MIS system report enumerates the number of hours for which a machine was utilized and the amount of time it stayed idle. It is often prepared in manufacturing divisions by the superior in charge.</p>	 Summary Reports <p>summary reports aggregate all information and present the data to showcase a clear picture of finances. Some good examples include reports on the value of all new purchases made and detailed insights of sales.</p>
 Trend Reports <p>Trend reports help compare past performance with present performance. Such reports indicate how a business unit or product category is performing.</p>	 Exception Reports <p>Exception reports make it clear where exactly things went wrong and why the performance couldn't be up to the mark. One good example could be assessing why a particular year's expenses are higher than the stipulated budget.</p>

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There are different types of reports that come under management information system. You can easily generate these MIS reports in Excel and Tally. Some of them are:

- **Sales MIS Reports:** Sales MIS report is created and managed by the sales and marketing departments for transactional analysis of various products and services. The analysis is based on variance, which is the difference between the estimated sales compared to actual sales.
- **MIS Reports in Accounts:** These reports in accounts provide details regarding assets, liabilities, expenditures, and income. Developed by manufacturing, marketing,

sales, etc. division for multiple purposes. Some good examples are cash flow statements, production reports mentioning production targets, and sales variance reports.

- **Budget Reports:** In any business, creating a budget report is necessary to manage allotted finances and to minimize expenses. Some common budget reports that can be generated include production budget, expense budget, cash budget, etc.
- **Production Reports:** The manufacturing department is responsible for the creation of production reports which include the comparison of set production targets and the final production count. Variation between the targeted and achieved production helps in quantifying the overall process efficiency.
- **Cashflow Statement Report:** With this Management Information System report, the business operations department can analyse the inflow and outflow of cash, to check the overall transactions at a certain period. It also helps in tracing fund sources that have been utilised for the outflows.
- **Funds Statement Report:** Funds Statement Report is processed by the accounting and finance team to keep a track of the fund sources. It is also created to check where the funds have been utilised.
- **Profit Report:** Profit reports are created by the accounts department to check the difference between actual and estimated profit (or loss) at a certain time span. It also accounts for the factors which led to the profit or loss.
- **Income Statement Report:** Reports for income, taxes, ledgers, and balance sheets are crucial for assessing the financial data of shareholders and investors. With the help of an income statement report, accountants can analyse the concurrent financial state of a business.
- **Abnormal Losses Reports:** Coming under the umbrella of the manufacturing department, the report on abnormal losses can help businesses reduce expenditure. Some of the abnormal losses include manufacturing defects, spillage or breakdown of machinery, defects in raw material, or natural calamities.
- **Costing Reports** Cost reports are one of the most important aspects of MIS. Whether it is a small business or an enterprise, overall costs incurred by different departments are analysed to see if they can be reduced.
- **HR MIS Reports:** It helps in analysing the performance of employees at a certain time. It calculates the total amount of tasks, assignments, or projects completed by different employees in that duration.

- **Inventory Reports:** MIS provides inventory reports to which raw material is in surplus and which ones need to be replenished. It also helps in keeping the daily, weekly, monthly, and quarterly production and stock statements.
- **Statistical publications:** Statistical publications and information are required for decision making and plan to make. This kind of MIS system report is important for analyzing the data and developing accurate reports.
- **Orders in hand report:** This kind of MIS report is created by those in the marketing and sales department. Orders in hand reports are essential for maintaining the ratio between production capacity and the order received for products.
- **Report on ideal time:** This type of MIS report highlights the time spent by every worker on different tasks and the idle time due to lack of required resources or materials. Reports on idle time are created at the shop floor level of a manufacturing unit using time booking records.
- **Machine utilisation report:** This MIS system report enumerates the number of hours for which a machine was utilized and the amount of time it stayed idle. It is often prepared in manufacturing divisions by the superior in charge.
- **Summary Reports:** Summary reports aggregate all information and present the data to showcase a clear picture of finances. Some good examples include reports on the value of all new purchases made and detailed insights of sales.
- **Trend Reports:** Trend reports help compare past performance with present performance. Such reports indicate how a business unit or product category is performing. Such types of management information system report are important to compare the actual performance with the estimated numbers.
- **Exception Reports:** Exception reports make it clear where exactly things went wrong and why the performance couldn't be up to the mark. One good example could be assessing why a particular year's expenses are higher than the stipulated budget.

Benefits of MIS Reports

Management information reporting is an integral part of business management. Here are some of the advantages of reports for Top Level Management

- **Data Management & Trend Analysis**

Management information systems make use of mathematical tools to help with data management, analysis, and storage. Such data offer detailed insights for analyzing trends, strategic planning, and business forecasting.

- **Goal Setting**

Setting goals is easier with MIS reports as you get access to detailed data insights and analysis. Detailed reports help analyse current market trends and predict future outcomes.

- **Identifying Problems**

MIS system reports help with calculating the working hours of the workforce and the functioning hours of a machine. These reports also mention the idle hours of both the machine and the workforce. Thus, in case of any problem regarding resources, work hours, or time management, MIS reports are handy.

- **Increased & improved efficiency**

MIS reports help increase the efficiency of the machinery and workforce. Starting from sales, inventory, production, and cashflow to profits, losses, etc., everything can be tracked.

- **Reduced costs & errors**

MIS reports are based on OLTP or online transaction processing that helps with fast data collection and processing. This in turn helps companies save data processing time and costs, which in turn leads to quicker decision making as well as goal setting.

How to Prepare MIS Report?

While there are multiple ways to prepare MIS reports like manually or through specialized management reporting systems the two most common methods of preparing report for management information are through Excel and Tally.

MIS Report in Tally

There can be an unlimited number of reports that could be generated from Tally for management. However, it can be categorized into two major types depending on how you generate the report and the specific needs of the report.

Party/Ledger Name	Stock Item Name	Actual UOM	April		May		June		July		
			Actual Qty	Amount	Actual Qty	Amount	Actual Qty	Amount	Actual Qty	Amount	
3R POLYMERS PVT LTD	PVC STABILIZER SAK-CZL330-HP	MT								2.00	21.00
A KEY POLYPLAST (NEW)	IMPACT MODIFIER GRADE - IM812	MT			1.00	161,700.30					
A.M. MEDIPLAST (NEW)	PIRISTEN 1140	MT									
	HYDROCARB 95 T-HP (CALCIUM CARBO...	MT					1.00	47,000.00	2.00	94,000.00	
	METHYL TBN MERCAPTIDE SAK-MT9001	MT					0.22	120,825.94			
	OMIACARB 2T-OJ	MT	5.00	70,000.00						4.00	56,000.00
	OMIACARB 2T-D5	MT									
	PAYFLEX A80 DI OCTYL ADIPATE	MT			0.38	42,342.86					
	PAYFLEX P80 DI OCTYL PHTHALATE	MT									
	PAYFLEX T80 DI OCTYL TERAPHTHALATE	MT									
A.M. MEDIPLAST (NEW) Total			5.00	70,000.00							
AMAR PAINTS	PAYFLEX P80 DI ISO BUTYL PHTHALATE	MT			0.38	42,342.86	1.22	167,825.94	6.00	77,400.00	15,000.00
AMKASH PLASTOPACK PVT LTD	FNALUX CL-741	MT			0.21	17,496.25			0.21	17,496.25	
	METHYL TBN MERCAPTIDE SAK-MT9001	MT			0.20	34,675.01	0.20	34,675.00	0.10	17,337.50	
AMKASH PLASTOPACK PVT LTD Total					0.20	34,675.01	0.20	34,675.00	0.10	17,337.50	
AARNA POLYPLAST	C.P. (ARYAFIN-82/S2)	MT									
	FNALUX CL-4	MT									
	FNALUX -C	MT									
	INDL. GRADEUB.	MT									
	MEGAWHITE PL(IG)	Kgs									
	METHYL TBN MERCAPTIDE SAK-MT9001	MT									
	NLB STEARATE (CB7)	MT									
	ULTRAMARINE BLUE TYPE 107	Kgs									
AARNA POLYPLAST Total											
AARON INDUSTRIES	PAYFLEX P80 DI OCTYL PHTHALATE	MT									
	PAYFLEX P800 (O)	MT	0.80	72,000.00							
AARON INDUSTRIES Total			0.80	72,000.00							
ACCURA POLYTECH P LTD	OMIACARB 2T-OJ	MT									

- **Generic/Present MIS Reports**

These are standard reports that are widely used by top-level management to analyse business performance. It is easy to prepare these MIS reports in tally as users can directly land into the report through the tally windows. Some of the most popular standard MIS reports are Balance Sheet, Profit & Loss Statements, Inventory Valuation, Ratio Analysis and much more, etc.

Steps to Generate Standard/Present MIS Report in Tally Prime

1. Log in to Tally Prime and open the Company for which you want to generate the MIS report.
2. Go to the Gateway of Tally
3. Select the required MIS Reports.

You can select either Profit and loss, Cost Centre Report, stock Summary, Ratio Analysis or Balance Sheet from the Gateway of Tally

(or)

Select Display and generate reports like Cash/fund flow, Exception Reports, Statement of Inventory or Account Balances.

4. Click F2
5. Enter the required period for which you want to generate the report
6. Click F12: Configure
7. Configure the required options as per your need and click enter
8. The required MIS report will be displayed. Customized MIS reports

You can either print it by pressing “Ctrl +E” or export it by Pressing” CTRL +E”

- **Customized MIS Reports**

Reports that are generated to provide specific details of an item, ledger, account, or balance is customized MIS report. To prepare a customized MIS report, one needs to first understand the business requirements and then accordingly design the report in tally.

For example, Debtors with due balance of more than 6 months, Negative Account Payable balances, Sales/ purchases of a particular items etc.

Steps to generate customized MIS Reports in Tally Prime

Get the requirement from the senior management about the specifics required in the report

1. Log in to Tally Prime and open the Company for which you want to generate the MIS report.
2. Go to the Gateway of Tally
3. Select Display
4. Select the required Account Books, Ledgers, Day Book, Voucher, etc.

You can choose any statement, account or books based on your requirements

1. Click F2 and Enter the required period for which you want to generate the report.
2. Click F12 and Configure the required options as per your need and click enter.
3. Click Alt + F12 and Set rules to generate required specifics using filter
4. Press Enter to generate the Report

You can either print it by pressing “Ctrl +E” or export it by Pressing” CTRL +E”

Examples of MIS Reports in Tally

MIS reports in Tally ERP 9 helps with effective decision-making as well as strategic planning. Sue good examples of MIS reports in Tally are:

- Comparative and exception reports in a multi-columnar format
- Debtors’ payment performance
- Stock aging and movement analysis
- Ratio & job costing analysis
- Scenario management
- Income and expenditure statements

Factors to Keep in Mind While Developing MIS reports in Tally

- Create report templates in MS Excel and make sure that you are well-aware of how to use an excel sheet.
- Prepare MIS templates that are easy to read and comprehend for other staff and upper management.
- Collect all relevant data from the concerned departments.

- Mine the data so that all unnecessary information is removed.
- Use the Excel formula for connecting the above data with the MIS template.

MIS Report in Excel

	100% Matches	95-99%	95-94%	75-54%	No Match	Repetitions	In Context Matches	Total	100% Matches	95-99%	95-94%	75-54%	No Match	Repetitions	In Context Matches	Cost - with leveraging
da_DK	0	0	0	0	6352	1748	0	8100	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
de_DE	1016	428	2	189	22898	8240	0	33773	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
es_ES	0	0	0	0	803	944	0	1747	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
fr_FR	3301	1392	1109	479	23921	5517	4075	39794	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
he_IL	0	0	0	0	94	752	0	846	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
it_IT	0	0	0	0	94	752	0	846	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
ja_JP	0	0	0	0	324	752	0	1076	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
ko_KR	0	0	0	0	94	752	0	846	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
ru_RU	0	0	0	0	94	752	0	846	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
zh_CN	355007	12746	14011	11878	18894	13952	1155	427643	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
zh_HK	0	0	0	0	53052	2736	0	55796	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
zh_TW	0	0	0	0	94	752	0	846	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000
Grand Total	392475	20410	15890	13407	173855	130224	11513	361174								\$0,000

Another popular method of generating MIS reports is through Excel format. However, it is necessary to have a good command of Excel.

The best part about generating MIS reports in Excel is that users can create graphs and charts, manipulate the data and share the entire trail of reports in electronic format.

Steps to Generate MIS Report in Tally

- Before beginning the process, it is important to collect all the necessary raw data, required to create the report from different departments. Every report is specific to a department, such as sales, marketing, operations, accounts, manufacturing, etc.
- The next step is to mine or clean up the raw data, to filter the information that is required for the particular report.
- Keep a separate sheet for the data repository from where you can pick up information and include it in the main report. This works as a back-end database and helps minimize the scope of errors and make the whole process systematic.
- Next, with the help of Excel formulas, you can connect the back-end database to the MIS template on the spreadsheet. Excel will pull the data from the database to convert it into a well-structured report.
- Finally, check if there are any errors or null values in the report such as #N/A, or #values, etc. which could make the report inaccurate.

Examples of MIS Report in Excel

You need to follow the below-mentioned parameters for the best MIS reports in Excel:

- Detailed and thorough knowledge of MS Excel
- A powerful mechanism for extracting the data from spreadsheets, flat files, and non-relational data storage
- Cleaning the data of inconsistent and null values
- Data profiling system for organizing the data
- Check the reports at the end to assess if or not the data is trending

Tools to Use While Preparing MIS Report in Microsoft Excel

Reporting through Excel is mostly dependent on tools and formulas. Here are some of the most popular tools in MS Excel that help users to prepare robust reports:

- **Pivot Tables:** Pivot tables are one of the most powerful features in MS Excel. It allows us to summarize and analyse data in a tabular format. We can use pivot tables to create MIS reports from data in a matter of minutes.
- **Data Filters:** Data filters are used to extract specific information from a large data set. We can use data filters to filter data by date, month, year, product, region, etc.
- **Data validation:** Data validation is used to ensure that only valid data is entered into a cell. For example, we can use data validation to ensure that only numbers are entered into a cell.
- **Data Consolidation:** Data consolidation is a feature in MS Excel that allows us to combine data from multiple sources into a single worksheet. This is useful when we want to create MIS reports from data that is spread across different worksheets or files.
- **What if Analysis:** What if Analysis is a feature in MS Excel that allows users to analyse data based on certain assumptions. It allows users to analyse multiple scenario based on data, set goals to know the variables and much more.
- **Charts and Graphs:** Charts and graphs are used to visually represent data. They help us to understand data more easily.
- **Macros:** Macros are used to automate repetitive tasks. They can be used to generate MIS reports from data in a matter of minutes.

The Five Formulas for MIS Reporting in Excel

- Converting text in lower cases into a first letter capitalized case [=Proper (___)]
- Converting mixed case text into upper case [=UPPER(A1)]
- Deleting all extra space extreme ends and middle of a text-phrase. [=Trim ()]

- Match the details with specific Text [=Lookup ()]
- Count the number of cells in a row [=Count ()]

Components of MIS in Excel and Tally Prime

Below are the few components of marketing information system:

- **People:** Users who use the information system to record day-to-day business transactions.
- **Data:** To relate all the transactions performed by their customers daily- from deposits, withdrawals, exchanges between banks, and more.
- **Hardware:** Hardware refers to various devices, machinery, and equipment used to process information. For example, computers, printers, and networking devices are all hardware.
- **Software:** Software used to operate computers and execute specific tasks efficiently.
- **Business Procedures:** Business procedures are developed by experts and set by management.

Various Types of MIS Report Templates in Tally & Excel

There are present templates of various types of MIS report in Tally. Most of these reports can be divided into four major categories.

- **Accounting:** All the different kinds of reports mentioned above that are used by the accounts department fall in this category. Reports such as Profits and Fund Statements can be processed with the help of Tally ERP 9's accounting templates. These reports provide the details of the financial aspects of the business activities.
- **Finance:** Managed by the finance department, these reports help in managing the investments and assets of shareholders and creditors. This category includes reports such as financial and fund statements.
- **Inventory:** With the help of the inventory MIS report in Tally, tasks related to manufacturing, stock management, and order reports can be managed. It helps in comparing goods and machinery that are procured, sold, and bought, for manufacturing.
- **Management Control:** This category of MIS report in Tally helps in creating reports for various tasks related to management control such as statistics, costing, budget, and sales, to name a few. This category of MIS reports helps in the efficient management of logistics in the business.

Using the present MIS templates provided in Tally, you can create specific reports for various departments such as sales, & HR MIS reports, etc. Just fill in the particulars that you require in the report.

Next, with the help of formulas in Tally, you simply need to connect the back-end database (Excel spreadsheet or any other DBMS) where your data is stored. The formulas fetch the unsorted data from the spreadsheet to Tally and you can compile your report according to the requirements.

3.7 CASH AND BANK REPORTS

The **Cash Book** is a record of the receipts and payments of cash. It is a book of original entry as well as a ledger account. Similarly, the **Bank Book** is a record of all the receipts and payments made through the bank. The **Cash/Bank Book** in Tally Prime is a two-in-one report where you can see both the cash and the bank transactions on the same screen, but in separate sections.

Both the **Cash Book** and **Bank Book** in Tally Prime are account books that are used to record individual transaction details. Though the items are posted to different ledgers, Tally Prime will help you see all the transactions of one category in one place. Accordingly, all transactions that affect cash will appear in the **Cash Book**, while all transactions that involve a bank, such as deposits, credits, and withdrawals, will appear in the **Bank Book**.

[View Cash Book](#)

3.8 SORTING, FILTERING, AND SEARCHING

Sorting, filtering, and searching are three of the most basic operations that you can perform with data in Analytics. You might need to perform one or more of these operations as preparation for your main analytical tests, or they could represent useful analysis in their own right.

With sorting and filtering, you also have the option of performing these operations as an integral part of the execution of other Analytics commands. For example, to summarize only third quarter transactions in an annual table, you could incorporate a date filter in the summarize command.

Different approaches you can take

The table below outlines the different approaches you can take with sorting, filtering, and searching.

Operation	Approaches
Sorting	<p>Quick sort sort the values in a column to temporarily reorder the records in a view</p> <p>Sort command sort records and output them to a new, physically reordered Analytics table</p> <p>Index command index records to temporarily sort them in the current table</p> <p>Pre-sort sort records as an integral part of the execution of an Analytics command</p>
Filtering	<p>Quick filter filter data by using the mouse in a view</p> <p>Global filter restrict which records in a view are displayed, or processed by Analytics operations</p> <p>Local filter restrict which records are processed during a single execution of a single Analytics operation</p>
Searching	<p>Quick search find a word, a phrase, a number, or a date in a table</p> <p>Isolate all matching records perform simple or advanced searches to include only records that match the search criteria</p> <p>Select the first matching record select the first record in a table that matches the search criteria</p>

Quick sorting data in a view

You can quick sort a column in a view to reorder the records in either ascending or descending order based on the values in the selected column.

When you quick sort a column, you create a temporary index for the view, based on the selected column, without going through the process of creating an index in the **Index** dialog box.

Note

Quick sorting works with a maximum field length of 247 characters. If a field is longer than 247 characters, the **Quick Sort** menu options are disabled.

Steps

1. Right-click the header of the column you want to use for sorting.
2. Select **Quick Sort Ascending** or **Quick Sort Descending** to sort the column in either ascending or descending order.
3. If you want to remove the quick sort, right-click the column and select **Quick Sort Off**.

The quick sort is automatically removed when you close the table.

Quick filtering data in a view

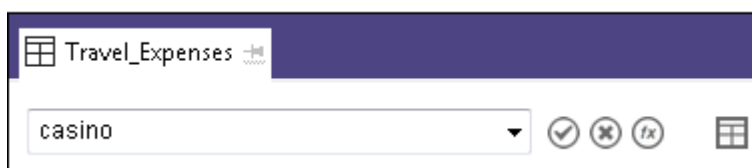
Quick filters allow you to quickly and easily filter data by using the mouse to select values in a view. You can select a single value, or multiple adjacent values. You can use quick filters with any data type.

Quick filters auto-generate the syntax of the filter expression, which you can then modify as an easy way to create different or more complex filters.

Quick filters are easier to create than filters you create with the **Expression Builder**, or enter manually, but they are also more limited. Like other types of filters, you can name and save quick filters for subsequent reuse.

Quick searching data in a table

You can enter one or more search terms in the Filter text box at the top of the View tab to perform a quick search of the data in a table.



Search scope

All the source data in the table is searched, not just the data displayed in the current view.

Entire records are searched, including any undefined portion of the record, rather than specific fields. For example, entering **casino** finds records that contain “casino” anywhere in the record. You can subsequently modify the search if you need to search a specific field (character data searches only).

Computed fields and related fields are not searched unless you subsequently modify the search to specify the specific field.

With the **Cash Book** in Tally Prime, you can view all the receipts and payments of cash at one place.

1. **Gateway of Tally > Display More Reports > Account Books > Cash/Bank Book(s).**

Alternatively, **AMTG (Go To) > type or search Cash/Bank Book > press Enter.**

Cash/Bank Summary		National Enterprises	
Particulars	Bank Accounts		
	National Enterprises		
	1-Apr-2020 to 30-Sep-2020		
		Closing Balance	
		Debit	Credit
Cash-in-Hand		2,25,000.00	
Cash		2,25,000.00	
Bank Accounts		14,30,670.93	
BOB Savings A/c		13,00,670.93	
DBS Bank A/c		90,000.00	
HDFC Current A/c		40,000.00	
Bank OD A/c			75,000.00
SBI OD A/c			75,000.00
Grand Total		16,55,670.93	75,000.00

2. Press **Alt+F2** to select the required period, and drill down to view the ledger vouchers.

Ledger Vouchers		National Enterprises			
Ledger: Cash		1-Apr-2020 to 30-Apr-2020			
Date	Particulars	Vch Type	Vch No.	Debit	Credit
1-Apr-2020	BOB Savings A/c	Contra	1	25,000.00	
				Opening Balance :	2,50,000.00
				Current Total :	25,000.00
				Closing Balance :	2,25,000.00

The Cash ledger account screen displays the debit and credit amounts of all the vouchers for the period. If cash balance is negative for a particular date, then Tally Prime displays the credit cash balance in red colour as the Closing Balance.

View Bank Book

With the **Bank Book** in Tally Prime, you can view all the bank-related receipts and payments in one place.

1. **Gateway of Tally > Display More Reports > Account Books > Cash/Bank Book(s).**

Alternatively, **AMTG (Go To) > type or search Cash/Bank Book > and press Enter.**

Cash/Bank Summary		National Enterprises	
Particulars	Bank Accounts National Enterprises 1-Apr-2020 to 30-Sep-2020		
	Closing Balance		
	Debit	Credit	
Cash-in-Hand	2,25,000.00		
Cash	2,25,000.00		
Bank Accounts	14,30,670.93		
BOB Savings A/c	13,00,670.93		
DBS Bank A/c	90,000.00		
HDFC Current A/c	40,000.00		
Bank OD A/c		75,000.00	
SBI OD A/c		75,000.00	
Grand Total	16,55,670.93	75,000.00	

2. If you have more than one bank account, select the required account and drill down to view the **Ledger Monthly Summary**.

Ledger Vouchers		National Enterprises			
Ledger: Cash		1-Apr-2020 to 30-Apr-2020			
Date	Particulars	Vch Type	Vch No.	Debit	Credit
1-Apr-2020	BOB Savings A/c	Contra	1	25,000.00	
				Opening Balance :	2,50,000.00
				Current Total :	25,000.00
				Closing Balance :	2,25,000.00

Daily Breakup

In the **Cash/Bank Book** in Tally Prime, you can easily view the daily break up of transactions for the ledger.

1. In the **Cash/Bank Book**, drill down from the **Cash** ledger and select the required month.
2. Press **Ctrl+F6** (Daily) to view the daily breakup of the ledger.

Ledger Monthly Summary				National Enterprises			
Particulars	Cash			National Enterprises			
	1-Apr-2019 to 28-Mar-2020			Transactions		Closing Balance	
	Debit	Credit					
Opening Balance							
April	10,000.00	11,290.00				1,290.00 Cr	
May	2,832.00					1,542.00 Dr	
June						1,542.00 Dr	
July						1,542.00 Dr	
August						1,542.00 Dr	
September						1,542.00 Dr	
October		2,000.00				458.00 Cr	
November						458.00 Cr	
December						458.00 Cr	
January						458.00 Cr	
February						458.00 Cr	
March						458.00 Cr	
Grand Total	12,832.00	13,290.00				458.00 Cr	

If cash balance is negative for a particular date, then the credit cash balance will appear in red colour.

3. Press **F12** (Configure) > **Show Highest Balance & Lowest Balance** > **Yes**, to see the highest or lowest cash balance of the day.

Ledger Monthly Summary				National Enterprises			
Particulars	Cash			National Enterprises			
	1-Apr-2019 to 28-Mar-2020			Transactions		Closing Balance	
	Debit	Credit					
Opening Balance							
April	10,000.00	11,290.00				1,290.00 Cr	
May	2,832.00					1,542.00 Dr	
June						1,542.00 Dr	
July						1,542.00 Dr	
August						1,542.00 Dr	
September						1,542.00 Dr	
October		2,000.00				458.00 Cr	
November						458.00 Cr	
December						458.00 Cr	
January						458.00 Cr	
February						458.00 Cr	
March						458.00 Cr	
Grand Total	12,832.00	13,290.00				458.00 Cr	
Highest Balance	(dt. 10-Apr-2019)	10,000.00	(dt. 25-Apr-2019)	8,000.00	(dt. 10-Apr-2019)	6,710.00 Dr	
Lowest Balance	(dt. 7-May-2019)	2,832.00	(dt. 20-Oct-2019)	2,000.00	(dt. 25-Apr-2019)	1,290.00 Cr	

View Negative Cash Report

When the cash balance is less than the sale value, the differential amount goes into the negative cash report. Let's say you have a cash balance of Rs. 30000, and you have made a payment of Rs. 32000. Thus, you will have Rs. 2000 as a negative cash balance with you.

This report allows you to identify in which month the negative cash occurred. Additionally, you can view the report by day to determine precisely when or on which date the cash fell short. The report will show you the running balance and any time the cash balance for the month is negative, you will see the Closing Balance in red colour.

Tally Prime provides all these features, which allows you to identify negative cash balances that need to be corrected and take corrective measures to fix the data.

Scenario 1: In case you have a negative cash balance towards the middle of a month (anywhere between dates), but the balance is brought back to positive by the end of the month, then follow these steps to view the negative cash report.

1. View negative cash balance.
 - a. Open **Cash/Bank Book**.
 - b. Press **F2** (Period) to change the period of **Cash/Bank Book** by entering the dates in **from** and **to** fields, if needed.
 - c. Drill down from the **Cash** ledger to view the negative cash report for the months with a negative cash balance.

Ledger Monthly Summary				National Enterprises			
Particulars	Cash			Closing Balance			
	National Enterprises						
	1-Apr-21 to 10-Sep-21						
	Transactions						
	Debit	Credit					
Opening Balance			3,00,000.00 Dr				
April	4,000.00	3,03,200.00	800.00 Dr				
May			800.00 Dr				
June		1,000.00	200.00 Cr				
July			200.00 Cr				
August	1,000.00	500.00	300.00 Dr				
September	1,600.00	1,500.00	400.00 Dr				
October							
November							
December							
January							
February							
March							
Grand Total	6,600.00	3,06,200.00	400.00 Dr				

Note: You may see for any month, the overall transaction is positive, and you will see the Closing Balance for that month is black in colour. In this case you can view the daily transactions and be able to identify on which day the negative cash balance happened.

2. Press **Ctrl+F6** (Daily) to view the transactions on daily basis.

Particulars	Cash National Enterprises 1-Apr-21 to 10-Sep-21		Closing Balance
	Transactions		
	Debit	Credit	
148 ▲			
26-Aug			200.00 Cr
27-Aug			200.00 Cr
28-Aug			200.00 Cr
29-Aug			200.00 Cr
30-Aug		500.00	700.00 Cr
31-Aug	1,000.00		300.00 Dr
1-Sep			300.00 Dr
2-Sep		500.00	200.00 Cr
3-Sep			200.00 Cr
4-Sep			200.00 Cr
5-Sep			200.00 Cr
6-Sep	400.00		200.00 Dr
7-Sep	700.00		900.00 Dr
8-Sep			900.00 Dr
9-Sep		1,000.00	100.00 Cr
10-Sep	500.00		400.00 Dr
11-Sep			
Grand Total	6,600.00	3,06,200.00	400.00 Dr

Now you can further drill down to view the transaction details and correct the data.

Scenario 2: If you have negative cash balance for the overall month or if you are closing the month with a negative cash balance, then it will start showing in Exception Reports.

This is because it considers the period, based on that, it will show you the negative ledgers. The Exception Reports will show you the negative ledgers including Cash if you have negative balance as on today and not on middle date of any month.

1. View Negative Ledger.

- a. Press **AMTG** (Go To) > type **List of Negative Ledgers** > select **Cash** from the **List of Negative Ledger A/cess** > press **Enter**.
Alternatively, **Gateway of Tally** > **Display More Reports** > **Exception Reports** > **Negative Ledgers** > select **Cash** from the **List of Negative Ledger A/cess** > press **Enter**.
- b. Press **F2** (Period) to change the period of **Negative Ledgers** by entering the dates in **from** and **to** fields, if needed.
- c. Drill down from the **Cash** ledger to view the negative cash report for the months with a negative cash balance.

Note: You may see for any month, the overall transaction is positive, and you will see the Closing Balance for that month is black in colour. In this case you can view the daily transactions and be able to identify on which day the negative cash balance happened.

d. Press **Ctrl+F6** (Daily) to view the transactions on daily basis.

Now you can further drill down to view the transaction details and correct the data.

Using these methods, you can access the negative cash report and identify negative cash balances that need to be corrected and take the necessary actions to fix you data.

Compare Information Using Cash/Bank Book

You can use the **Cash/Bank Book** as a powerful medium for comparison. You can compare **Bank Book** with **Cash Book**, or two or more banks in multiple columns. You can view the information for multiple periods (such as yearly, quarterly, monthly, and so on) on the same screen, instead of toggling between different periods or ledgers.

For example, let us say that you want to compare the quarter of April to June with the quarter of July to September.

1. In the **Cash/Bank Book**, drill down from the **Cash** ledger. The **Ledger Monthly Summary** appears.

Ledger Monthly Summary		National Enterprises		
Particulars	BOB Savings A/c National Enterprises 1-Apr-2020 to 30-Sep-2020			
	Transactions		Closing Balance	
	Debit	Credit		
Opening Balance				5,00,000.00 Dr
April	56,536.00	2,37,035.60		3,19,500.40 Dr
May	3,55,258.80	2,41,373.08		4,33,386.12 Dr
June	3,97,720.40	2,64,226.08		5,66,880.44 Dr
July	6,66,221.81	4,91,140.32		7,41,961.93 Dr
August	2,97,288.80	1,26,699.60		9,12,551.13 Dr
September	4,55,690.40	67,570.60		13,00,670.93 Dr
Grand Total	22,28,716.21	14,28,045.28		13,00,670.93 Dr

2. Press **Alt**on (Auto Column), and select **Quarterly** in the **Auto Column** field.

Ledger Monthly Summary							National Enterprises		
Particulars	BOB Savings A/c National Enterprises 1-Apr-2020 to 30-Jun-2020			BOB Savings A/c National Enterprises 1-Jul-2020 to 30-Sep-2020					
	Transactions		Closing Balance	Transactions		Closing Balance			
	Debit	Credit		Debit	Credit				
Opening Balance			5,00,000.00 Dr			5,66,880.44 Dr			
Apr - Jun	8,09,515.20	7,42,634.76	5,66,880.44 Dr						
Jul - Sep				14,19,201.01	6,85,410.52	13,00,670.93 Dr			
Oct - Dec									
Jan - Mar									
Grand Total	8,09,515.20	7,42,634.76	5,66,880.44 Dr	14,19,201.01	6,85,410.52	13,00,670.93 Dr			

Now you can compare various components of the ledgers such as the Opening Balance and Closing Balance.

Configure Cash/Bank Book

In Tally Prime, you can configure the **Cash/Bank Book** to view the opening balance, transaction summary, closing balance, and more, on the same screen.

1. **Cash/Bank Book** > press **F12** (Configure).
 - Set **Show Opening Balance** to **Yes**.
 - Set **Show Transactions** to **Yes**.
 - Set **Show Closing Balance** to **Yes**.
2. Accept the screen. As always, you can press **Ctrl+E** to save.

Now you can view the details of opening balance, transaction summary, and closing balance in the **Cash/Bank Book**.

3.9 FINANCIAL REPORTS

Accounting reports and financial reports in Tally Prime are an overview of the financial results, financial position, and cash flows of a business. In order to assess a business's performance and financial position, all its transactions have to be summarised and analysed over a period of time. This is where accounting reports enter the picture. They help you organise and present raw financial data, and turn it into useful information.

What is the easiest way to do this? With Tally Prime, of course. You can generate accounting reports in Tally Prime. These include Balance Sheet, Profit and Loss A/c, Receivables and

Payables, Cash Flow statement, and so on. With these reports under your belt, you will have an in-depth view of how your business is doing, who your best customers are, the state of your cash flow, eligibility for business financing or loans, and so on.

Balance Sheet is a real-time snapshot of your company's financial position at any point in time. It provides a clear picture of your assets, liabilities, and equity, and also shows the resources that your company owns and owes, along with the sources of financing for those resources.

For more details, refer to our article on Balance Sheet in Tally Prime.

Profit & Loss (P&L) A/c is an overview of your total revenue and total expenses incurred over a period of time. You can use this information to determine the total profit or loss to your company over the accounting period. The P&L statement is a good indicator of a company's ability to generate sales, manage expenses, and create profits.

For more details, refer to our article on P&L statement in Tally Prime.

Cash Flow statement summarizes the flow of cash into and out of your business over a period of time. It also indicates which areas of your business are generating and using the most cash, and which areas could benefit from a boost of cash. The cash flow statement is also used to estimate future cash flow which will be helpful with budgeting and decision making.

For more details, refer to our article on Cash Flow in Tally Prime.

Funds Flow statement shows the inflow and outflow of funds (or sources and applications) for a particular period. Analysis of the Funds Flow statement will help you find out whether the working capital has been used effectively or not, and whether the level of working capital is adequate for the requirements of the business.

For more details, refer to our article on Fund Flow in Tally Prime.

Receivables: When you make some purchases or obtain services from your vendors, you need to keep track of all the payments that you have to make within the due dates. All such pending payments to your parties are outstanding payables. The Outstanding Payables report in Tally Prime gives you an overview of what your business owes for supplies, inventory, and services.

For more details, refer to our article on Receivables in Tally Prime.

Payables: When you do sales on credit, you would certainly need to keep track of the due amounts that your parties owe you. All such dues from your parties will be your outstanding receivables. Managing the outstanding receivables can be critical to your business because it

not only helps to understand how much your parties owe you, but also helps you to recover the dues on time and use it for your business, as needed.

For more details, refer to our article on Payables in Tally Prime.

Trial Balance shows the total of the debit and credit balances recorded in various ledger accounts. It will help you ensure that the entries in your company's books are mathematically correct at the end of every reporting period. The Trial Balance ensures that for every debit entry, there is a corresponding credit entry in the books. Thus, the sum of all debits has to be equal to the sum of all credits.

This is in accordance with the double entry accounting principle, which says that for every debit, there has to be an equal credit.

For more details, refer to our article on Trial Balance in Tally Prime.

Day Book is a book of original entry in which daily logs of transactions are recorded as they occur. All kinds of transactions – financial vouchers, reversing and memorandum vouchers, as well as inventory vouchers – will find a place in Day Book.

For more details, refer to our article on Day Book in Tally Prime.

Accounting registers bring together the transactions of a particular type, so that you can easily view (or print) the required details. For example, in a Sales Register, you can see the summary of your sales transactions for a particular period. Similarly, you can make use of a number of accounting registers depending on your needs, such as Purchase Register, Journal Register (Credit/Debit Note Register), Payment Register, and so on.

For more details, refer to our article on Sales Registers in Tally Prime.

Ratio Analysis is used to mathematically compare various accounts or categories in your books, such as Working Capital, Bank Balances, amount due from Sundry Debtors/Creditors, Nett Profit, and so on. This comparison will help you look at the financial position of your business from different lenses, and assess the areas that are doing well and the areas that need improvement.

There are a number of financial ratios that help in this analysis, such as Current Ratio, Debt/Equity Ratio, Gross Profit %, Quick Ratio, and so on.

For more details, refer to our article on Ratio Analysis in Tally Prime.

Cash Book records all the transactions that affect cash, that is, all the receipts and payments of cash.

For more details, refer to our article on Cash Book in Tally Prime.

Bank Book records all the receipts and payments that are made through the bank.

For more details, refer to our article on Bank Book in Tally Prime.

Statistics displays the Masters that have been created in Tally Prime, and the number of vouchers types that have been used. You can view the transactions by drilling down from this report.

3.10 MULTIPLE LANGUAGES

Did you know that Tally.ERP 9 supports multilingual capability that lets users speaking different languages work concurrently with ease? Users from different locations can view and print the same reports in their own familiar localized language anytime they want.

Think of a user entering transactions in Hindi at a branch office, another user viewing the same voucher in Marathi at Head Office and another user printing out the same voucher in Gujarati at a different branch. This concurrent multilingual capability that enables multiusers speaking different languages, to work at the same time, is a much needed breakthrough in a business process. This capability, especially useful for a business running in a multilingual society like India, is provided by Tally.ERP 9 and it is here to break the language barrier among business staff.

Currently, Tally.ERP 9 supports 9 Indian languages (Hindi, Marathi, Gujarati, Bengali, Kannada, Tamil, Telugu, Malayalam, Punjabi), Hinglish, Bahasa Miley, Bahasa Indonesia, Arabic (Saudi Arabia), Urdu and English (U.K). The multilingual support in Tally.ERP 9 works for data entry and displaying/printing of reports.

Tally.ERP 9 has another extended multilingual feature which is the support for phonetic keyboard. Using this option, users can enter words in different languages using English alphabets on the keyboard. You can also cut or copy multilingual text from other third party applications (MS Word, WordPad etc.) and paste it in Tally.ERP 9.

To Change the Display Language

Say you are currently viewing in English, to change the language to Hindi:

- Go to Gateway of Tally > Press ‘AMTG’
- Select Hindi > Press ‘Enter’

‘Gateway of Tally.ERP 9’ is displayed in Hindi as shown below:

Note: You can set the language either before or after the creation of Company.

Phonetic Keyboard in Tally.ERP 9

Users who can speak a particular language but cannot type in it now can use their familiar language, thanks to the phonetic keyboard. In this capability, all the alphabets on the Standard English keyboard are assigned to their nearest phonetic equivalent of the selected

language. For example, let's select Hindi as the language and enter 'Company'. You can simply type 'Campania' on the keyboard and the correct word will be displayed in Hindi as shown below:

Passing transaction in one language and printing the Invoice in another

To show how flexible this multilingual feature is, let's pass a Sales Invoice using English and print out the same voucher in Bengali. To do this:

1. Pass the Sales Invoice as shown below:
2. To print the Invoice in Bengali: • Press 'Atop' > Press 'ALLTEL' to open 'Language Configuration' screen • Select 'Bengali' from the list > Press 'Enter'

The report preview in Bengali is displayed below:

Note: Company names will always be displayed in the language used at the time of creation and numbers will always be in English.

Viewing Reports in different language

No matter which language you have used to pass the transactions, you can still view the report in the supported language of your choice. To do this:

- Go to Gateway of Tally > Balance Sheet
- Press 'AMTG' > Select 'Hindi' from 'List of Languages'
- Press 'Enter'

The Balance Sheet in Hindi is shown below:

Arabic and Urdu Support

Tally.ERP 9 has yet another powerful feature which is the enhanced support for a bi-directional language such as Arabic and Urdu. These are the languages where alphabets are written from right to left while numbers are written from left to right. Now, users in Middle-east can work in Tally.ERP 9 using their familiar languages. To use Arabic:

Go to Gateway of Tally > Press 'AMTG' or click 'G: Language' on the horizontal bar >

Select 'Arabic' © Tally Solutions Pt. Ltd. All Rights Reserved -2011

www.tallysolutions.com Tally.ERP 9 Tally.ERP 9 automatically changes its layout to make it more convenient for users as shown in the Gateway of Tally in Arabic as shown:

The change in layout is made on all the screens right from company's creation screen to reports screen. For example, the screens for voucher entry and reports in Arabic language are shown below: Voucher Entry screen:

Balance Sheet in Arabic:

Hence, Tally.ERP 9's multilingual support makes sure that users get the best experience even if the job involves localizing of business reports or providing a common platform for multilingual business users.

3.11 EXPORT-IMPORT BACK-UP AND RESTORE

It is a good practice to take back up of your data at regular intervals to avoid any loss to data. Tally.ERP 9 provides you a facility to take back up of your data and restore as and when required.

Backup Data

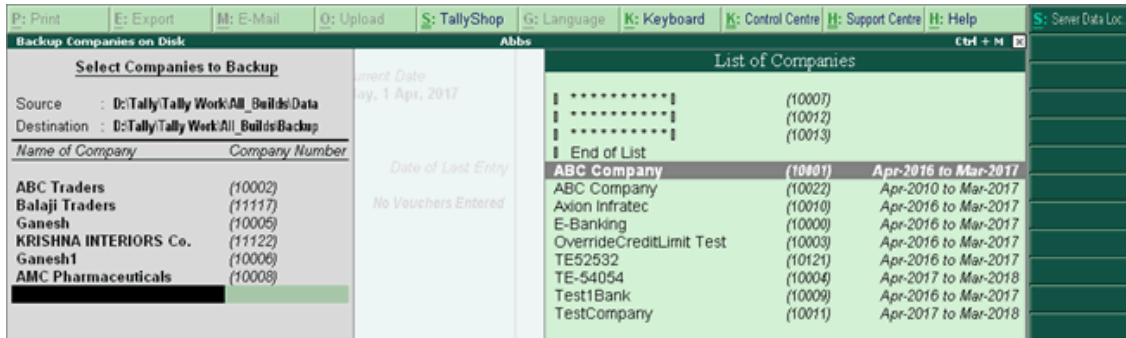
Taking a backup of your data at regular intervals helps retrieve your backed up data when your existing data is lost. Using Tally.ERP 9, you can easily take a backup of your company data any time and restore it when you need.

1. Go to **Gateway of Tally > F3: Cmp Info > Backup** to view the **Backup Companies on Disk** screen.
2. **Source** - The folder path where your company data is stored. By default, the folder path of your existing company data is displayed here.

Note:

- ◆ If your company uses Tally.Server 9 to maintain data, backup has to be taken from the server data location. Click **S: Server Data Lock** in the **Backup Companies on Disk** screen, and select the server location as **Source**.
- ◆ If the administrator has enabled **Security Control**, provide authorised Tally.NET credentials to access the **List of Tally.Server Data Locations**.

3. **Destination** - The folder path where the data backup has to be stored. You can store the backup locally on your computer, on any external storage device, or on a storage space on the network.
4. Select the required company from the **List of Companies**. Select **All items** to back up data of all the companies.



5. Press **Ctrl+E** to initiate the backup process.

The backup file is stored in the destination folder as **TBK900_10000.001**. Data backup taken using versions prior to Release 6.0 used to store the data in **TBK900.001** format.

Note: If you are using Tally.ERP 9 Release 5.x or earlier to restore the backup file (for example, **TBK900_10000.001**), first rename this file to **TBK900.001** and then restore.

Restore Backup

You can restore the data of companies for which you have taken a backup. When your current company data is lost or corrupted, you can restore your last backed up data using the **Restore** option in Tally.ERP 9.

1. Go to **Gateway of Tally > F3: Cmp Info > Restore** to view the **Restore Companies** screen.
2. **Destination** - The folder path where your company data is to be restored. Do not restore backup data in the folder where your company data exists, since it may overwrite the existing data.
3. **Source** - The folder path where the backup file is stored. You can restore data stored locally on your computer, on any external storage device, or on a storage space on the network.
4. Select the required companies from the **List of Companies**. Select **All items** to restore data of all companies.

Note: Data backup taken using versions prior to Release 6.0 used to store the data in **TBK900.001** format. Therefore, if you are using Tally.ERP 9 Release 5.x or earlier to restore the backup file (for example, **TBK900_04557.001**), first rename the backup file in the destination folder to **TBK900.001** and then restore.

4. Press **Ctrl+E** to restore the data backup.

Auto Backup Status

Auto Backup Status displays the list of companies whose data is backed up at a common location and the number of entries pending for backup from each company. This report also displays the path of backup and the number of companies off-line. On completing the auto backup, the status is set to complete.

- From Gateway of Tally > F3: Company Info > **U**: Auto Backup Status

The **Auto Backup Status** screen appears as shown below:

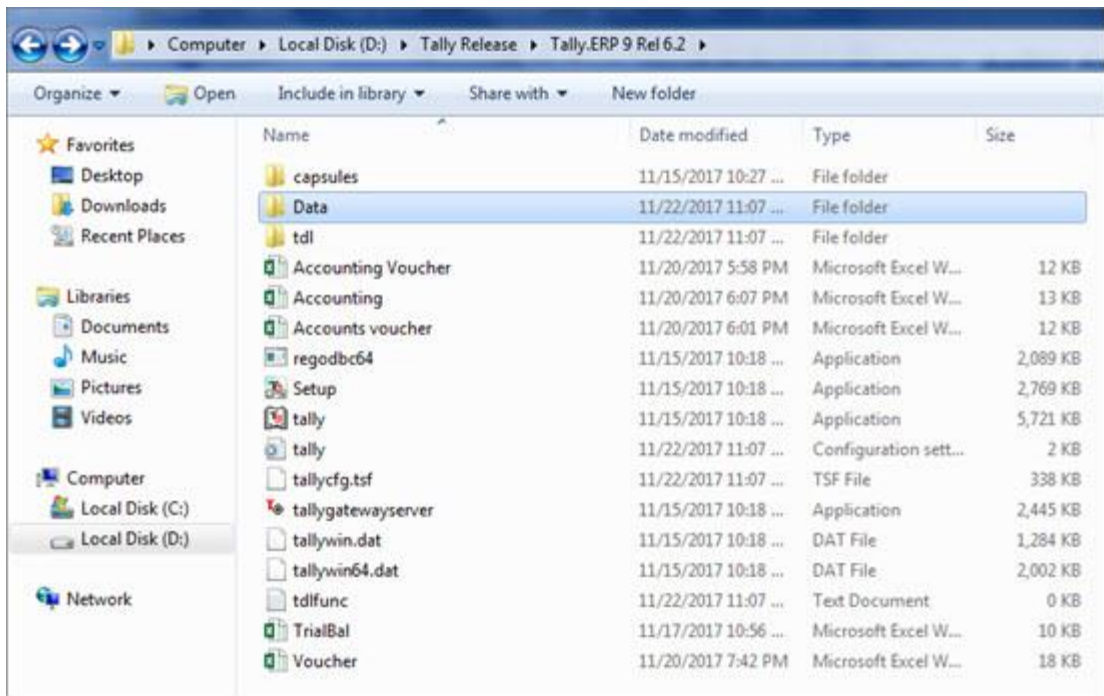
Auto Backup Status		
(Auto Backup Location : C:\Autobackup Data)		
Name of Company	Number	Remaining Entry(s) to Backup
Selected Companies		
ABC and Company	(10010)	Complete
Other Companies		
ABC Company	(99995)	
ABC Company	(10009)	
ABC International	(10000)	

Backup/Restore through Windows Folder

You can back up your data in the folder format and restore the same in Tally.ERP 9.

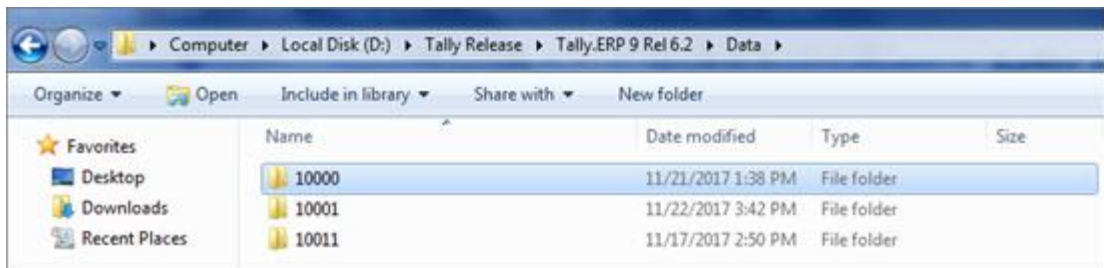
Backup your data

1. On your computer, go to the location where company data is stored.



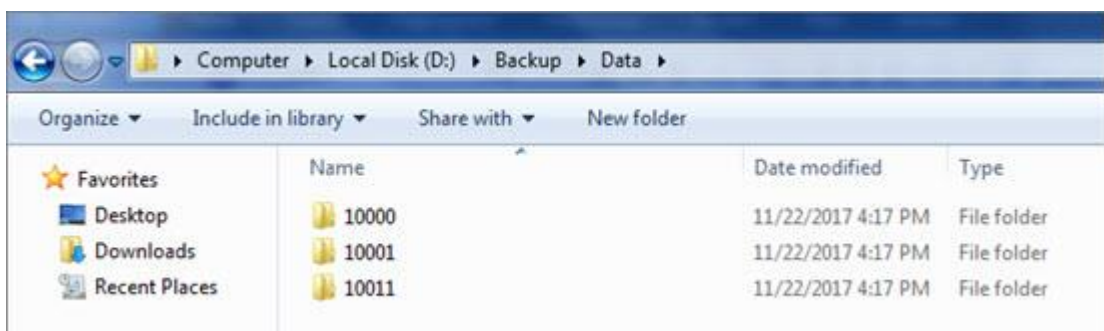
2. Copy the **Data** folder and paste it in a different local disk or an external drive.

You can also copy the folder of a particular company, as shown below:

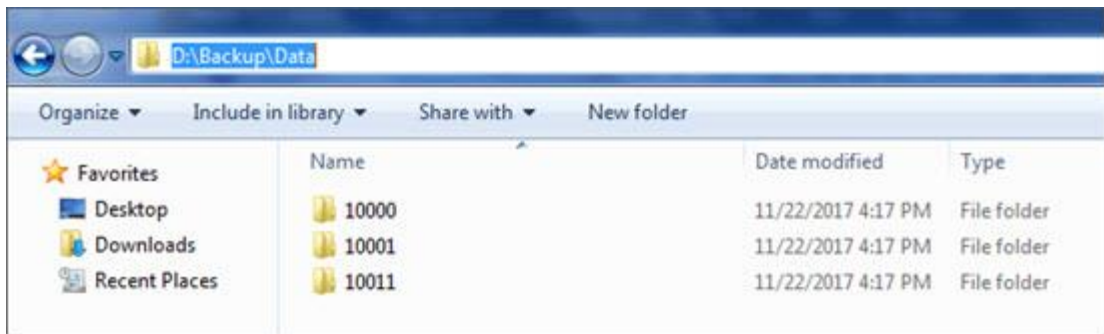


Restore the backup

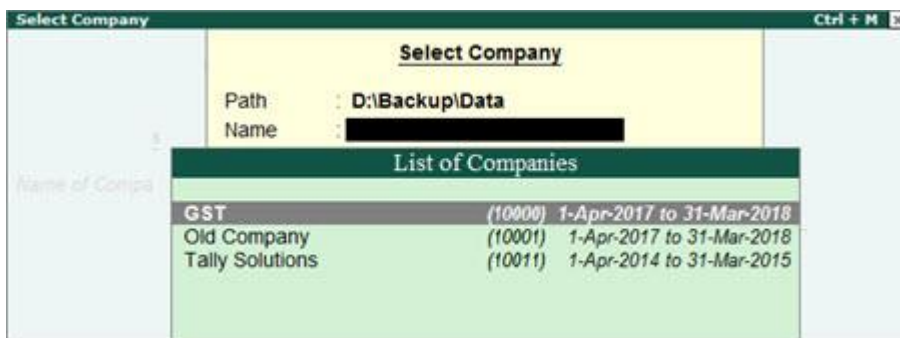
1. Go to the location where the data was backed up.



2. Press **Halted** or click the address bar. The location will be highlighted in blue.

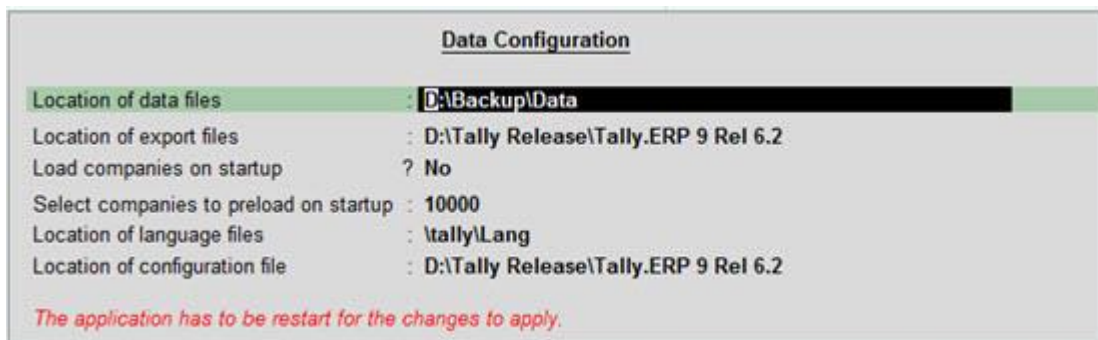


3. Press **Ctrl+E** to copy the path.
4. Open Tally.ERP 9 and select the company.
5. Press **Ctrl+Alt+V** to paste the location. The companies will be listed as shown below:



Set the backup location

1. Go to **Gateway of Tally > F12 > Data Configuration**.
2. Enter the data path in **Location of data files**.
3. Press **Ctrl+E** to accept.

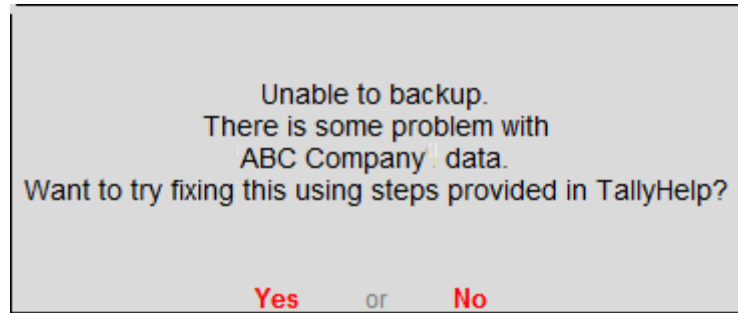


Similarly, you can also restore the data of a particular company in the folder format.\

Errors and Resolutions

1. Unable to backup

This message is displayed if the data that you are backing up is damaged.



Solution

1. Open the Tally.ERP 9 data folder, and copy the company folder to a different location. For example, if your data folder is D:\Tally.ERP 9\data\10001, copy 10001 to a different location.
2. In the Tally.ERP 9 data folder, open the company folder, and compare the size of the files **Company.900** and **CmpSave.900**.
3. If there is a difference in the size, delete **Company.900** then take a copy of **CmpSave.900** in the same folder and rename **Campsite - Copy.900** as **Company.900** as below:

CmpSave.900	06-07-2017 15:09	900 File	4 KB
Company.900	08-07-2017 08:42	900 File	356 KB
LinkMgr.900	06-07-2017 15:09	900 File	1 KB

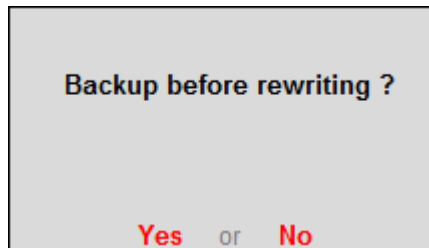
CmpSave - Copy.900	06-07-2017 15:09	900 File	4 KB
CmpSave.900	06-07-2017 15:09	900 File	4 KB
Company.900	08-07-2017 08:42	900 File	356 KB

CmpSave.900	06-07-2017 15:09	900 File	4 KB
Company.900	06-07-2017 15:09	900 File	4 KB
LinkMgr.900	06-07-2017 15:09	900 File	1 KB

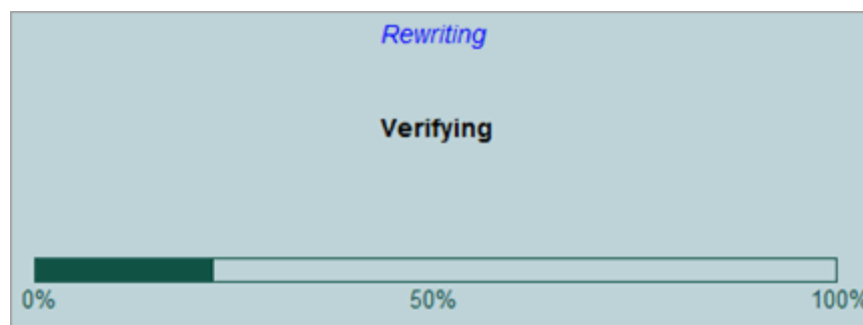
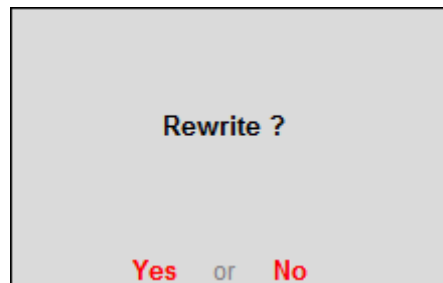
4. Rewrite the data. If the error **Unable to backup** is displayed when,
 - You are trying to upgrade to Release 6.0.2 from a release prior to Release 6.0, then rewrite the data in the previous release of Tally.ERP 9. For example, if you are trying to upgrade from Release 4.93, then rewrite the data in Release 4.93 and continue to upgrade. To rewrite the data in the older release, check if you have the older release in the installation folder or download it from the Tally Solutions Website .
 - Taking a regular backup when working with Release 6.0.2, then rewrite the data in the same release.

Rewrite Data

1. In Tally.ERP 9, in the **Company Info** screen press **Ctrl + Alt + R** and select the company for which the backup failed. Select **Yes** as shown below:



2. You will be prompted to back up your data before rewriting. Select **No** as shown below:



Now, you can back up your company data.

3.12 TDS

You can enable the TDS feature in Tally.ERP 9, provide surcharge details, record transactions and generate the required reports and returns.

1. Go to **Gateway of Tally > F11: Features > Statutory & Taxation**.
2. Set **Enable Tax Deducted at Source (TDS)** to **Yes** in the **Company Operations Alteration** screen.
3. Enable the option **Set/alter TDS details** to display **TDS Deduct or Details** screen.

Company Operations Alteration		Ctrl + H	
Current Period	Current Date		
Company: National Enterprises			
<u>Statutory and Taxation</u>			
Enable Goods and Services Tax (GST)	? No	Enable Tax Deducted at Source (TDS)	? Yes
Set/alter GST details	? No	Set/alter TDS details	? Yes
Enable Value Added Tax (VAT)	? No	Enable Tax Collected at Source (TCS)	? No
Set/alter VAT details	? No	Set/alter TCS details	? No
Enable excise	? No		
Set/alter excise details	? No		
Enable service tax	? No		
Set/alter service tax details	? No		
<u>Tax Information</u>			
PAN/Income tax no. :			
Corporate Identity No. (CIN):			
F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons			

4. Press **F12**.

- Set **Enable surcharge and cess details for TDS** to **Yes**.

<u>Configuration</u>	
Show all Deductor types	? No
Enable surcharge and cess details for TDS	? Yes
Provide alternate contact details	? No

- Press **Ctrl+E** to save.

5. Enter the **TAN registration number**.

6. Enter the **Tax deduction and collection Account Number (TAN)**.

7. Select the **Deduct or Type**.

8. Enter the **Deduct or branch/division**.

9. Enable the option **Set/alter details of person responsible** to display the **Person Responsible Details** screen. Enter the relevant details:

<u>Person Responsible Details</u>	
Name	: Mahesh
Son/daughter of	: Suresh
Designation	: Manager
PAN	: AAAAA1234E
Flat no.	: #24
Name of the premises/building	: Priya Arcade
Road/Street/Lane	: Hosur Main Road
Area/Location	: Bommanahalli
Town/City/District	: Bangalore
State	: Karnataka
Pincode	: 560068
Mobile no.	: 999999999
STD code	: 080
Telephone	:
E-mail ID	: mahesh@email.com

(Note: All the above details will be used in Challan, Forms & Returns)

Note:

- In Release 6.5.5 and later versions, you can enable the TDS features for a company located in **Leach**. You can select the **State** as **Leach** in the **Person Responsible Details** screen.
- The name of new union territory **Dadra & Nagar Haveli and Daman & Diu** is provided in **Release 6.6.3**. All masters with **Daman & Diu** and **Dadra & Nagar Haveli** are automatically updated with the name of new union territory.

10. Press **Enter**. The **TDS Deduct or Details** screen appears.

11. Set **Ignore IT Exemption Limit for TDS Deduction** to:

- **Yes**, if you don't want to consider the IT exemption limit.
- **No**, if you want to consider the IT exemption limit.

12. Set **Activate TDS for stock items** to:

- **Yes**, if you want to define TDS rate in stock item.
- **No**, if you do not want to define TDS rate in stock item.

13. Set **Provide surcharge and cess details** to **Yes**. This option appears only when you have set **Enable surcharge and cess details for TDS** to **Yes** in the configuration screen.

14. Enter the surcharge and cess details for each deducted status. You can enter the required surcharge slab details with the applicability date.

TDS Surcharge Details						
Residential Status	Deductee Status	Applicable Date	Surcharge Rate	Exemption Limit	Cess Rate	Sec.Ed.Cess Rate
NonResident	Individual/HUF - Non Resident	1-4-2020	10 %	50,00,000.00	2 %	1 %
			15 %	1,00,00,000.00		
			25 %	2,00,00,000.00		
			37 %	5,00,00,000.00		
	Co-Operative Society - Non Resident	1-4-2020	12 %	1,00,00,000.00	2 %	1 %
			2 %	1,00,00,000.00		
	Company - Non Resident	1-4-2020	5 %	10,00,00,000.00	2 %	1 %

15. Press **Ctrl+E** to save the details.

Surcharge in Releases 6.6.1 and Lower Releases

In Release 6.6 and earlier, as there was only one surcharge amount with corresponding tax rate, the same was supported as shown below:

TDS Surcharge Details			
Company - Non Resident	: 2 %	Exemption limit :	1,00,00,000.00
Individual/HUF - Non-Resident	: 10 %	Exemption limit :	50,00,000.00
Cess and Secondary Education Cess Rates			
Cess	: 2 %		
Secondary Education Cess	: 1 %		

As new slab rates have been introduced for surcharge , the same is supported in Release 6.6.1.

1. On moving to Release 6.6.1, the surcharge details defined in Release 6.6 or earlier versions, will appear as the 1st slab against the respective deducted statuses. You can update the new slab rates with the applicability date.

2. After upgrading to Release 6.6.1, if you define new surcharge slabs and then downgrade to earlier releases, the surcharge details defined before the upgrade, will appear.
3. After creating the company in Release 6.6.1 with the surcharge slab details, if you open the data in Release 6.6 or earlier version, you need to define the surcharge details.

3.13 TCS

You can enable the TCS feature in Tally.ERP 9, provide surcharge details, record transactions and generate the required reports and returns.

1. Go to **Gateway of Tally > F11: Features > Statutory and Taxation.**
2. In the **Company Operations Alteration** screen, set **Enable Tax Collected at Source (TCS)** to **Yes**.
3. Enable the option **Set/alter TCS details**. The **Company Operations Alteration** screen appears as shown below:

Current Period	Current Date	Company: National Traders	
<u>Statutory and Taxation</u>			
Enable Goods and Services Tax (GST)	? No	Enable Tax Deducted at Source (TDS)	? No
Set/alter GST details	? No	Set/alter TDS details	? No
Enable Value Added Tax (VAT)	? No	Enable Tax Collected at Source (TCS)	? Yes
Set/alter VAT details	? No	Set/alter TCS details	? Yes
Enable excise	? No		
Set/alter excise details	? No		
Enable service tax	? No		
Set/alter service tax details	? No		
<u>Tax Information</u>			
PAN/Income tax no. :			
Corporate Identity No. (CIN):			
F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons			

4. Press **F12**.

- Set **Enable surcharge and cess details for TCS** to **Yes**.

<u>Configuration</u>	
Display all collectors types	? No
Enable surcharge and cess details for TCS	? Yes
Provide alternate contact details	? No

- Press **Ctrl+E** to save.

5. Enter the **TAN registration number**.
6. Enter the **Tax deduction and collection Account Number (TAN)**.
7. Select the **Collector Type**.
8. Enter the **Collector branch/division**.
9. Enable the option **Set/alter details of person responsible** to display the **Person Responsible Details** screen. Enter the relevant details:

<u>Person Responsible Details</u>	
Name	: Mayur
Son/daughter of	: Kumar
Designation	: Manager
PAN	: AAAAA1111D
Flat no.	: #34
Name of the premises/building	: Diya Chambers
Road/Street/Lane	: Hosur Main Road
Area/Location	: Bommanahalli
Town/City/District	: Bengaluru
State	: Karnataka
Pincode	: 560068
Mobile no.	: 9999999999
STD code	: 080
Telephone	: 1234567890
E-mail ID	: mayur@email.com

(Note: All the above details will be used in Challan, Forms & Returns)

Note:

- In Release 6.5.5 and later versions, you can enable the TCS features for a company located in **Leach**. You can select the **State** as **Leach** in the **Person Responsible Details** screen.

- The name of new union territory **Dadra & Nagar Haveli and Daman & Diu** is provided in **Release 6.6.3**. All masters with **Daman & Diu** and **Dadra & Nagar Haveli** are automatically updated with the name of new union territory.

10. Press **Enter**. The **TCS Collector Details** screen appears.

11. Set **Ignore IT Exemption Limit** to:

- **Yes**, if you don't want to consider the IT exemption limit.
- **No**, if you want to consider the IT exemption limit.

12. Set **Provide surcharge and cess details** to **Yes**. This option appears only when you have set **Enable surcharge and cess details for TCS** to **Yes** in the configuration screen.

13. Enter the surcharge and cess details for each collected status. You can enter the required surcharge slab details with the applicability date.

TCS Surcharge Details							
Residential Status	Collectee Status	Applicable Date	Surcharge Rate	Exemption Limit	Cess Rate	Sec.Ed.Cess Rate	
NonResident	Individual/HUF - Non Resident	1-4-2020	10 %	5,00,000.00	2 %	1 %	
			15 %	1,00,00,000.00			
			25 %	2,00,00,000.00			
			37 %	5,00,00,000.00			
	Company - Non Resident	1-4-2020	2 %	1,00,00,000.00	2 %	1 %	
			5 %	10,00,00,000.00			
	Co-Operative Society - Non Resident	1-4-2020	12 %	1,00,00,000.00	2 %	1 %	

14. Press **Ctrl+E** to save the details.

Surcharge in Releases 6.6.1 and Lower Releases

In Release 6.6 and earlier, as there was only one surcharge amount with corresponding tax rate, the same was supported as shown below:

<u>TCS Surcharge Details</u>			
Company-Non Resident	:	2 %	Exemption limit : 1,00,00,000.00
Individual/HUF-Non Resident	:	10 %	Exemption Limit : 50,00,000.00
<u>Cess and Secondary Education Cess Rates</u>			
Cess	:	2 %	
Secondary Education Cess	:	1 %	

As new slab rates have been introduced for surcharge , the same is supported in Release 6.6.1.

1. On moving to Release 6.6.1, the surcharge details defined in Release 6.6 or earlier versions, will appear as the 1st slab against the respective collected statuses. You can update the new slab rates with the applicability date.
2. After upgrading to Release 6.6.1, if you define new surcharge slabs and then downgrade to earlier releases, the surcharge details defined before the upgrade, will appear.
3. After creating the company in Release 6.6.1 with the surcharge slab details, if you open the data in Release 6.6 or earlier version, you need to define the surcharge details.

3.14 PRINTING REPORTS

Reports and documents generated through Tally's extensive display capabilities can also be printed. The print options in Tally.ERP 9 are flexible and very easy to use. By default, Tally.ERP 9 will identify and list all the Printers installed in the system (can check in Devices and Printers). While Printing the Reports you have to select/set the Printer Name. The Printer selected will be considered as primary printer. If you want to change the selected printer, in Printing screen press **Altos'** and select the appropriate Printer from the **List of Printers**.

Printing can be done in two ways

- Using the Print (Alt + **P**) button: You can obtain a printed version of the screen that is displayed by selecting Print from the button bar menu. This brings up new button bar options and the Print Configuration screen for the report, which

displays Print? Yes, or No. Select Yes to print the report using the options specified on the screen. Select No to change the print options before printing.

- **Using Multi-Account Printing option:** Multi-account printing is used to print the primary books of accounts like the Cash and Bank Books, Account Ledgers, Sales and Purchase Registers instead of selecting the accounts one at a time and pressing atop. This facilitates to print one account at a time, all accounts or all accounts in a selected group. Before printing, the date range and other selections can also be set up.

Types of Print Configuration Options

Common printing options affect the printing of all reports and are changed by selecting the appropriate button from the button bar.

- **Print Language:** Print the report in a language of your choice, click L: Print Language or press ALLTEL, the List of Languages appear. Select the required language to print the report.
- **With Preview:** To view the report in print preview mode before printing, click I: With Preview or press Altair. The print preview screen appears. Press Alatz or F4 to zoom in to 100% screen.

You can also zoom in or out print previews from this screen using the shortcut keys:

- o ' + ' and ' - '
- o Ctrl + scroll wheel (mouse wheel)
- o Shift + scroll wheel (mouse wheel) for horizontal scrolling

Let us consider an example of viewing the print preview of Form ER1. The following image depicts Form ER1 in four different sizes of zoom in.

ANNEXURE 12
Monthly return for production and removal of goods and other relevant particulars and CESTAT order
Form B.B.-1
(B.B. Form 12 of the Central Excise Rules, 2002 and rule 97 of CESTAT Order Rules, 2004)

Registration number: ABC COMPANY
Name of the Assessee: ABC COMPANY

Sl. No.	Registration number	Name of the Assessee	Quantity	Rate of duty (%)	Rate of duty (specific)	Duty Payable	Provisional assessment number (if any)
1	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2	(1)	(2)	(3)	(4)	(5)	(6)	(7)
3	(1)	(2)	(3)	(4)	(5)	(6)	(7)
4	(1)	(2)	(3)	(4)	(5)	(6)	(7)
5	(1)	(2)	(3)	(4)	(5)	(6)	(7)
6	(1)	(2)	(3)	(4)	(5)	(6)	(7)
7	(1)	(2)	(3)	(4)	(5)	(6)	(7)
8	(1)	(2)	(3)	(4)	(5)	(6)	(7)
9	(1)	(2)	(3)	(4)	(5)	(6)	(7)
10	(1)	(2)	(3)	(4)	(5)	(6)	(7)
11	(1)	(2)	(3)	(4)	(5)	(6)	(7)
12	(1)	(2)	(3)	(4)	(5)	(6)	(7)
13	(1)	(2)	(3)	(4)	(5)	(6)	(7)
14	(1)	(2)	(3)	(4)	(5)	(6)	(7)
15	(1)	(2)	(3)	(4)	(5)	(6)	(7)
16	(1)	(2)	(3)	(4)	(5)	(6)	(7)
17	(1)	(2)	(3)	(4)	(5)	(6)	(7)
18	(1)	(2)	(3)	(4)	(5)	(6)	(7)
19	(1)	(2)	(3)	(4)	(5)	(6)	(7)
20	(1)	(2)	(3)	(4)	(5)	(6)	(7)
21	(1)	(2)	(3)	(4)	(5)	(6)	(7)
22	(1)	(2)	(3)	(4)	(5)	(6)	(7)
23	(1)	(2)	(3)	(4)	(5)	(6)	(7)
24	(1)	(2)	(3)	(4)	(5)	(6)	(7)
25	(1)	(2)	(3)	(4)	(5)	(6)	(7)
26	(1)	(2)	(3)	(4)	(5)	(6)	(7)
27	(1)	(2)	(3)	(4)	(5)	(6)	(7)
28	(1)	(2)	(3)	(4)	(5)	(6)	(7)
29	(1)	(2)	(3)	(4)	(5)	(6)	(7)
30	(1)	(2)	(3)	(4)	(5)	(6)	(7)
31	(1)	(2)	(3)	(4)	(5)	(6)	(7)
32	(1)	(2)	(3)	(4)	(5)	(6)	(7)
33	(1)	(2)	(3)	(4)	(5)	(6)	(7)
34	(1)	(2)	(3)	(4)	(5)	(6)	(7)
35	(1)	(2)	(3)	(4)	(5)	(6)	(7)
36	(1)	(2)	(3)	(4)	(5)	(6)	(7)
37	(1)	(2)	(3)	(4)	(5)	(6)	(7)
38	(1)	(2)	(3)	(4)	(5)	(6)	(7)
39	(1)	(2)	(3)	(4)	(5)	(6)	(7)
40	(1)	(2)	(3)	(4)	(5)	(6)	(7)
41	(1)	(2)	(3)	(4)	(5)	(6)	(7)
42	(1)	(2)	(3)	(4)	(5)	(6)	(7)
43	(1)	(2)	(3)	(4)	(5)	(6)	(7)
44	(1)	(2)	(3)	(4)	(5)	(6)	(7)
45	(1)	(2)	(3)	(4)	(5)	(6)	(7)
46	(1)	(2)	(3)	(4)	(5)	(6)	(7)
47	(1)	(2)	(3)	(4)	(5)	(6)	(7)
48	(1)	(2)	(3)	(4)	(5)	(6)	(7)
49	(1)	(2)	(3)	(4)	(5)	(6)	(7)
50	(1)	(2)	(3)	(4)	(5)	(6)	(7)
51	(1)	(2)	(3)	(4)	(5)	(6)	(7)
52	(1)	(2)	(3)	(4)	(5)	(6)	(7)
53	(1)	(2)	(3)	(4)	(5)	(6)	(7)
54	(1)	(2)	(3)	(4)	(5)	(6)	(7)
55	(1)	(2)	(3)	(4)	(5)	(6)	(7)
56	(1)	(2)	(3)	(4)	(5)	(6)	(7)
57	(1)	(2)	(3)	(4)	(5)	(6)	(7)
58	(1)	(2)	(3)	(4)	(5)	(6)	(7)
59	(1)	(2)	(3)	(4)	(5)	(6)	(7)
60	(1)	(2)	(3)	(4)	(5)	(6)	(7)
61	(1)	(2)	(3)	(4)	(5)	(6)	(7)
62	(1)	(2)	(3)	(4)	(5)	(6)	(7)
63	(1)	(2)	(3)	(4)	(5)	(6)	(7)
64	(1)	(2)	(3)	(4)	(5)	(6)	(7)
65	(1)	(2)	(3)	(4)	(5)	(6)	(7)
66	(1)	(2)	(3)	(4)	(5)	(6)	(7)
67	(1)	(2)	(3)	(4)	(5)	(6)	(7)
68	(1)	(2)	(3)	(4)	(5)	(6)	(7)
69	(1)	(2)	(3)	(4)	(5)	(6)	(7)
70	(1)	(2)	(3)	(4)	(5)	(6)	(7)
71	(1)	(2)	(3)	(4)	(5)	(6)	(7)
72	(1)	(2)	(3)	(4)	(5)	(6)	(7)
73	(1)	(2)	(3)	(4)	(5)	(6)	(7)
74	(1)	(2)	(3)	(4)	(5)	(6)	(7)
75	(1)	(2)	(3)	(4)	(5)	(6)	(7)
76	(1)	(2)	(3)	(4)	(5)	(6)	(7)
77	(1)	(2)	(3)	(4)	(5)	(6)	(7)
78	(1)	(2)	(3)	(4)	(5)	(6)	(7)
79	(1)	(2)	(3)	(4)	(5)	(6)	(7)
80	(1)	(2)	(3)	(4)	(5)	(6)	(7)
81	(1)	(2)	(3)	(4)	(5)	(6)	(7)
82	(1)	(2)	(3)	(4)	(5)	(6)	(7)
83	(1)	(2)	(3)	(4)	(5)	(6)	(7)
84	(1)	(2)	(3)	(4)	(5)	(6)	(7)
85	(1)	(2)	(3)	(4)	(5)	(6)	(7)
86	(1)	(2)	(3)	(4)	(5)	(6)	(7)
87	(1)	(2)	(3)	(4)	(5)	(6)	(7)
88	(1)	(2)	(3)	(4)	(5)	(6)	(7)
89	(1)	(2)	(3)	(4)	(5)	(6)	(7)
90	(1)	(2)	(3)	(4)	(5)	(6)	(7)
91	(1)	(2)	(3)	(4)	(5)	(6)	(7)
92	(1)	(2)	(3)	(4)	(5)	(6)	(7)
93	(1)	(2)	(3)	(4)	(5)	(6)	(7)
94	(1)	(2)	(3)	(4)	(5)	(6)	(7)
95	(1)	(2)	(3)	(4)	(5)	(6)	(7)
96	(1)	(2)	(3)	(4)	(5)	(6)	(7)
97	(1)	(2)	(3)	(4)	(5)	(6)	(7)
98	(1)	(2)	(3)	(4)	(5)	(6)	(7)
99	(1)	(2)	(3)	(4)	(5)	(6)	(7)
100	(1)	(2)	(3)	(4)	(5)	(6)	(7)

Duty Payable

Rate of duty (specific)	Duty Payable	Provisional assessment number (if any)
(11)	(12)	(13)
	7,900.00	
	158.00	
	79.00	
	1,200.00	

Duty under sub-rule (1) of rule 12BB*:-

- Titling: To change the report title click T: Titling. The Report Title screen appears
- The default report title appears in the Title field. Enter the required title in the Title field.
- Enter the required Sub-Title in the Sub-Title field.
- By default, Print with Company Name is set to Yes. In case you do not want to print the company name on top of the page set this field to No
- By default, Print with Company Address is set to Yes. In case you do not want to print the company address name set this field to No.
- By default, Print Date Range of Report is set to Yes. Set this field to No in case you do not want to print the date range.
- By default, Print Page Numbers in Report is set to Yes. Set this field to No in case you do not want to print page numbers.
- Page Nos: To specify the page number and page range click Ctrl+E: Page Nos or press Ctrl+E. The Page Range to Print screen appears
- By default, the Page Numbering Starts from is set to 1. In case you want to begin the page numbering from a specific number. Enter the required number in Page Numbering Starts from field.

- By default, the Page Range is set to All. The page range field will also accept the following parameters

Keywords	Details
All/Every	Print all the pages in a range
And	Is used in conjunction with other keywords
Pages	Prints the specified pages
Numbered/Numbers	Is used in conjunction with other keywords
Excluding/Exclude/Except/without/Not	Exclude numbered pages from printing
Odd/Front	Prints all Odd Pages
Even/Back	Prints all Even Pages
To/ Upton / Uphill / till	Prints all pages to the specified pages
From/beg/Beginning/Starting/First/Initial	Starts printing from the specified page
End/Ending/Last/Final	Prints till the ending or the last page specified

The above keyword can be used in combination to achieve the desired result while printing a report, let us look at the possible combinations with an example in the table shown in multi-part printing.

Note: In case the entire printable line does not fit the specified page width, it is split into parts, which can be printed separately. Each part is identified with an alphabet (A, B, Z, AA, AB.....) and associated to the respective page numbers (1A, 1B...1Z, 1AA, 1AB.....).

Refer the multi-part printing page for more.

- **Pre-Printed/ Plain Paper:** To select between pre-printed and plain stationery click R: Pre-Printed or press Alters
- **Print Format:** To select the required print format click F: Format. The available print formats are Dot-Matrix Format, Neat Mode and Quick/Draft. To know more on the print formats, click the available link under More.
- **Copies:** Specify the number of copies to be print by clicking C: Copies or press Baltic.
- **Select Printer:** To change the printer click S: Select Printer or press Alta. On selecting the required printer, the printer properties window appears. Click Paper/Output to change the paper size.

View Report Details

- Press **S pace bar** to select a record.
- Press **Shift+Ente r** to display bill-wise/inventory details, cost centre, ledger narration & voucher narration used in the voucher for the selected ledger. On printing the report, the exploded details will be printed.
- Right click to hide the exploded details.

If there are report specific options available for a report, they are displayed in a sub-screen when the print option is selected. You can change options before taking a final print.

3.15 UNIT END QUESTIONS

A. Descriptive Questions

Short answer questions

1. Define GST.
2. Define TDS.
3. Discuss GST returns and payments.
4. Explain Financial Reports.
5. Describe MIS.

Long answer questions

1. Explain Party Leader analysis.
2. Explain the concept of TCS.
3. Explain Stock analysis and reports.
4. Discuss in detail about Printing Reports.
5. Explain Export-import back-up and restore.

B . Multiple Choice Questions

1. What is the techniques of cost ascertainment and cost control?
 - a Standard costing
 - b Batch costing
 - c Job costing
 - d Capital costing
2. Which cost follows the item into inventory?
 - a Product
 - b Relevant
 - c Total
 - d Period
3. Which is known by A cost which requires payment to outside parties?
 - a Out of pocket cost
 - b Absolute cost
 - c Shut-down cost
 - d Opportunity cost

4. Which is an example for Research and Development Cost
 - a Discretionary cost
 - b Common cost
 - c Relevant cost
 - d Joint cost

5. Which costs are established through analysis of past data?
 - a Engineered costs
 - b Engineered costs
 - c Relevant costs
 - d Policy costs.

Answers:

1. a, 2.a, 3.a, 4.a, 5.a

3.16 REFERENCES

Reference Books:

- Garg, S. (2021). *Tally.ERP 9 in Simple Steps*. BPB Publications.
- Jha, S. (2021). *Learn Tally in 20 Hours*. BPB Publications.
- Dubey, S. K. (2021). *Mastering Tally.ERP 9*. BPB Publications.
- Sahay, P. (2021). *Tally.ERP 9 with GST*. BPB Publications.
- Krishna, G. K. (2021). *Tally ERP 9.0 (With GST)*. Khanna Book Publishing.

Web Resources:

- Tally Solutions. (n.d.). <https://www.tallysolutions.com>
- Tutorials Point. (n.d.). <https://www.tutorialspoint.com/tally>
- TallySchool. (n.d.). <https://www.tallyschool.com>
- Tally ERP9 Tutorial. (n.d.). <https://tallyerp9tutorials.com>
- Learn Tally.ERP 9. (n.d.). <http://www.learntallyerp9.com>

UNIT - 4 VOUCHER ENTRY IN TALLY ERP-9

STRUCTURE

- 4.0 Objectives
- 4.1 Introduction
- 4.2 Accounting Vouchers
- 4.3 Inventory vouchers
- 4.4 Invoicing
- 4.5 Pay-roll accounting
- 4.6 Advanced Applications of Tally ERP-9
- 4.7 Bill-wise details, cost centres, cost categories, voucher class and cost centre class
- 4.8 Bank reconciliation
- 4.9 Multiple currencies and interest calculations
- 4.10 Budgeting and Budgetary control
- 4.11 Scenario analysis and optional vouchers
- 4.12 Advanced inventory control and Management
- 4.13 Unit End Questions
- 4.14 References

4.0 OBJECTIVE

After completing this Students will be able to

- Define Invoicing
- Understand Pay-roll accounting
- Define bank reconciliation
- Explain Multiple currencies and interest calculations

4.1 INTRODUCTION

A voucher is a document that contains details of a financial transaction and is required for recording the same into the books of accounts.

For every transaction, you can use the appropriate Tally voucher to enter the details into the ledgers and update the financial position of the company.

The voucher entry menu options are available under **Transactions** in the **Gateway of Tally**. The **Payroll** and **Order Vouchers** are available as separate options which can be enabled based on the requirements.

The **Payroll Vouchers** can be enabled from **F1: Accounting Features**, whereas the **Order Vouchers** can be activated from **F2: Inventory Features**.

4.2 ACCOUNTING VOUCHERS

Users must continuously record various transactions for accounting, inventory management, and statutory compliance as a business owner. For these, business people use different vouchers such as Accounting vouchers in tally, receipt vouchers, journal vouchers, etc. **In this article, we have discussed details about the various accounting voucher types in Tally Prime.**

A voucher is a document used daily by the accounting department on an organisation or a business. Vouchers are used to systematically compile and collate data in invoices, purchase orders, certificates, and other information required to record the transaction and process the payment. A voucher cannot be recorded without a ledger. A ledger for the transactions needs to be created before the vouchers. To know how to create ledgers, [click here](#) to check our article.

There are 24 predefined voucher types in Tally Prime. According to the voucher type, 24 vouchers can be classified in this way.

1. **Accounting Vouchers**
2. **Inventory Vouchers**
3. **Payroll Vouchers**
4. **Non-Accounting Vouchers**

The user creates other voucher types under these predefined voucher types as per your business needs.

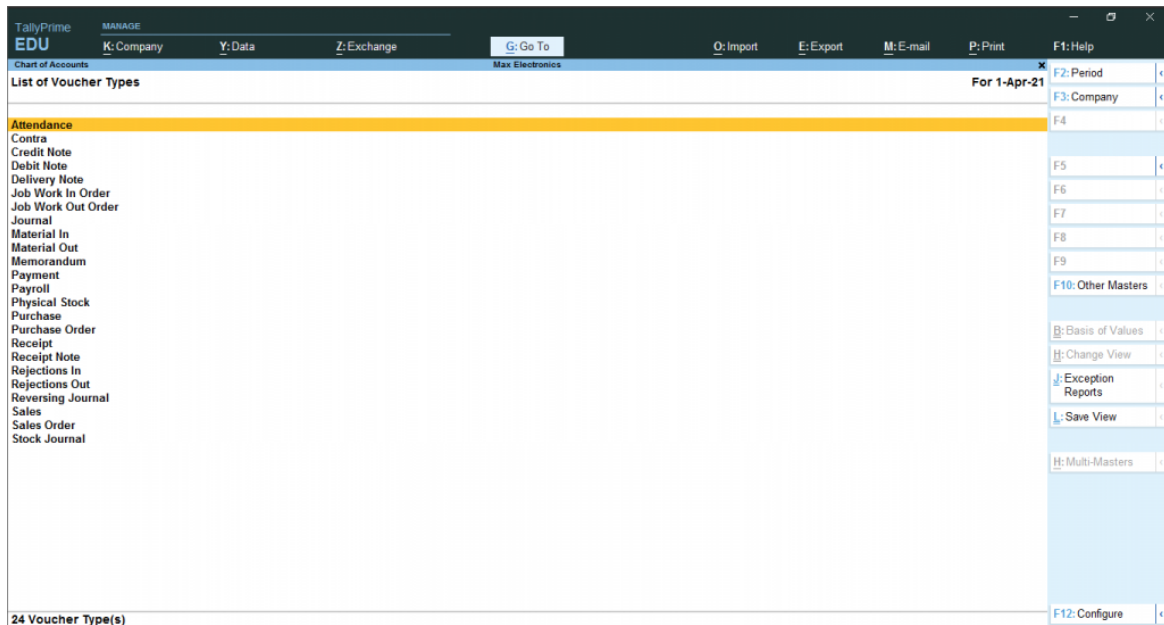
For example, there is a predefined payment voucher for cash payments and bank payments. However, if You want, create two or more sales voucher types in Tally Prime for different sales transactions. For example, credit sales, cash sales, and so on.

Pre-Defined Voucher Types in Tally Prime

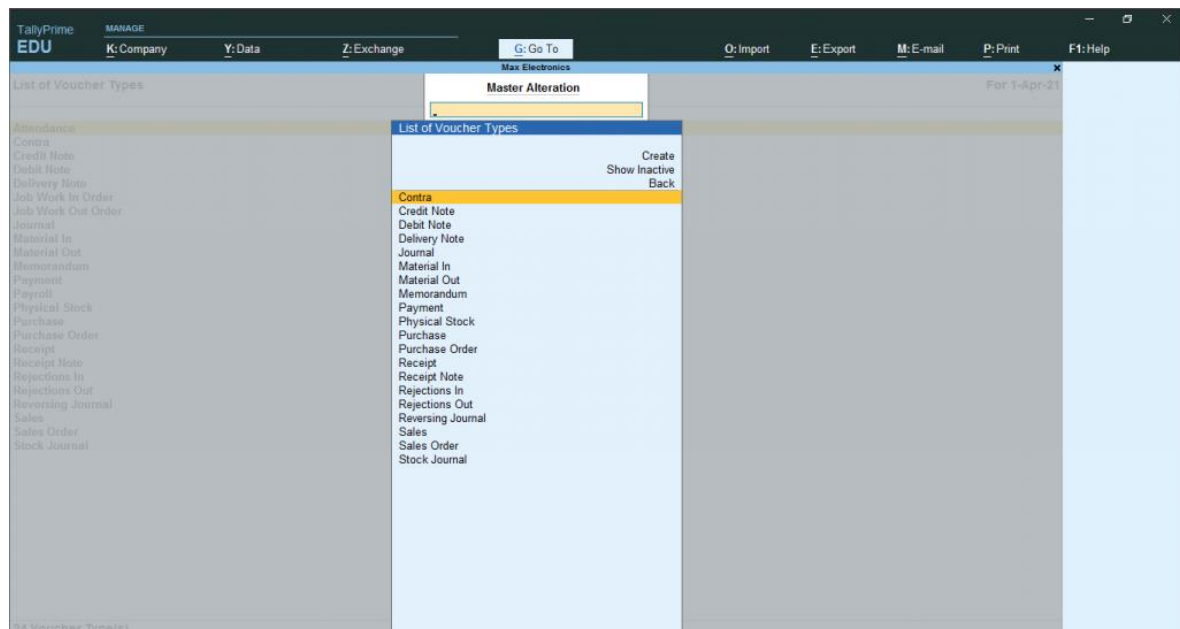
1. To check the Different vouchers, go to:

Gateway of Tally > Chart of Accounts > type or select Voucher Type.

Alternatively, press AMTG (Go to) > type or select Chart of Accounts > Voucher Type.



- One can also go to Gateway of Tally > Alter > Voucher Type. Alternatively, press AMTG (Go to) > type or select Alter Master > Voucher Type.



Activate / Deactivate Vouchers

2. In Tally Prime, the voucher must be activated to record. However, one can also deactivate the voucher if not needed. To activate/deactivate vouchers, go to

- **Gateway of Tally> Masters Chart of Accounts> Voucher Types> Select Voucher Type and then Press Enter.**
- Now you can enable the option, “**ACTIVATE THIS VOUCHER TYPE** “into **YES**
- Accept the screen or you can press **Ctrl+E** to save.

To record a new voucher, go to **Gateway of Tally> Transactions> Vouchers.**

Types of Accounting Vouchers in Tally

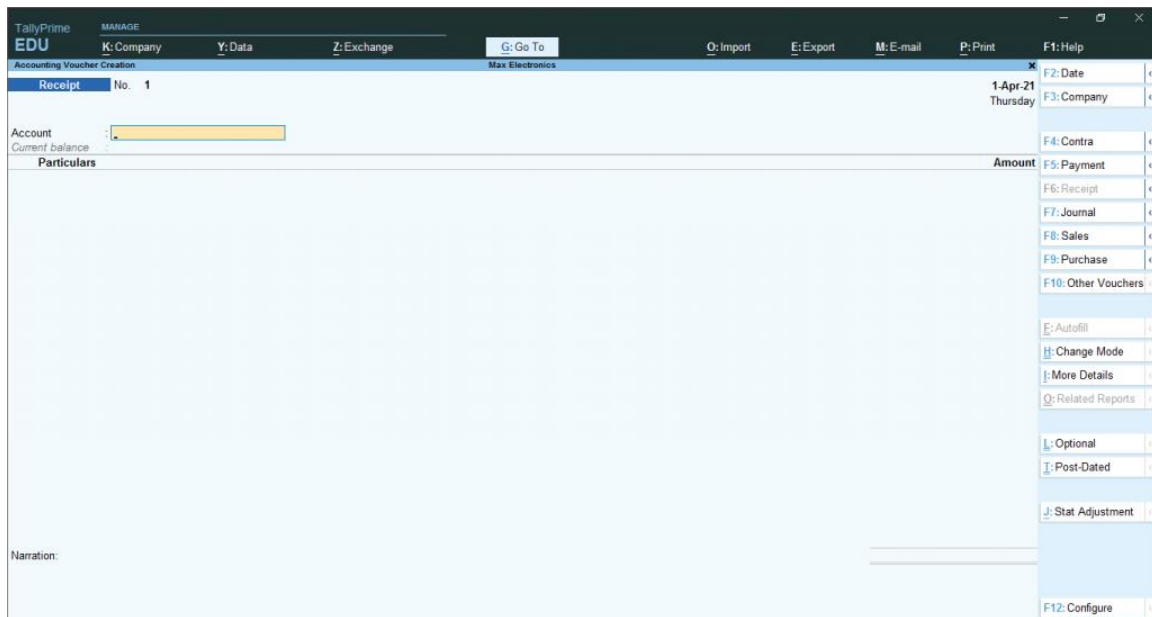
3. Payment voucher:

Payment voucher in accounting vouchers in tally records all business transactions related to Payment. Any payment made by the company through cash, cheque, online payment or any other mode comes under this voucher type. To record transactions, click **Gateway of tally> Transaction> Vouchers> Press F5.**

The screenshot shows the TallyPrime Accounting Voucher Creation window. The title bar indicates 'TallyPrime MANAGE' and 'EDU'. The window is titled 'Accounting Voucher Creation' and shows 'Max Electronics' as the company. The voucher type is 'Payment' with number '1'. The date is '1-Apr-21 Thursday'. The account field is empty. The 'Particulars' field is empty. The 'Amount' field is empty. The 'Narration' field is empty. The right-hand side of the window contains a list of function keys: F2: Date, F3: Company, F4: Contra, F5: Payment, F6: Receipt, F7: Journal, F8: Sales, F9: Purchase, F10: Other Vouchers, E: Autofill, H: Change Mode, I: More Details, Q: Related Reports, L: Optional, T: Post-Dated, J: Stat Adjustment, and F12: Configure.

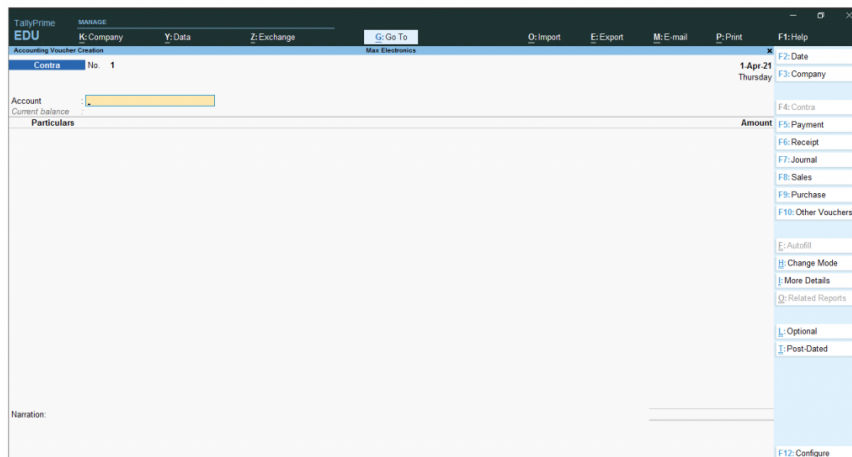
4. Receipt Voucher:

The Receipt voucher under accounting vouchers in tally records all money transactions received by the company. The amount received could be in the form of cash, cheque or online. When an accountant makes a receipt voucher in Tally Prime, all the invoices with pending payments pop up as a reminder. To record this transaction, go to **Gateway of tally> Transaction> Vouchers> Press F6.**



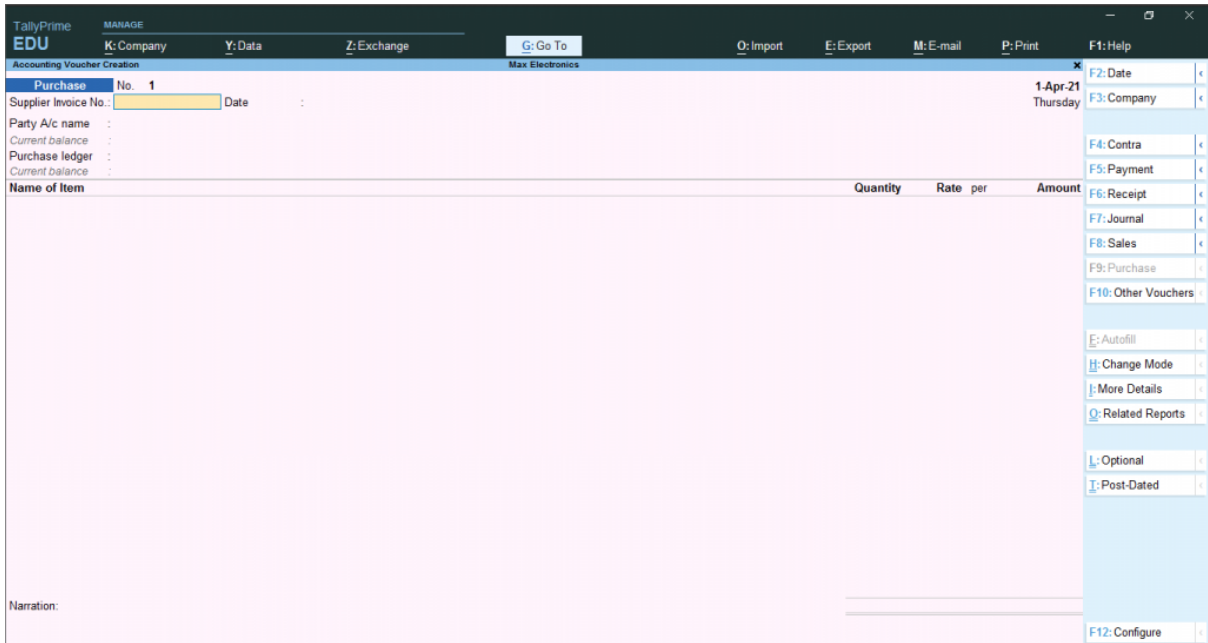
5. Contra Voucher:

In contra voucher, all the company's transactions include deposits or money withdrawal from its bank account. The entry is made in this voucher if the amount is transferred from bank to bank or cash to cash. To record such transactions, go to **Gateway of tally> Transaction> Vouchers>** Press F4.



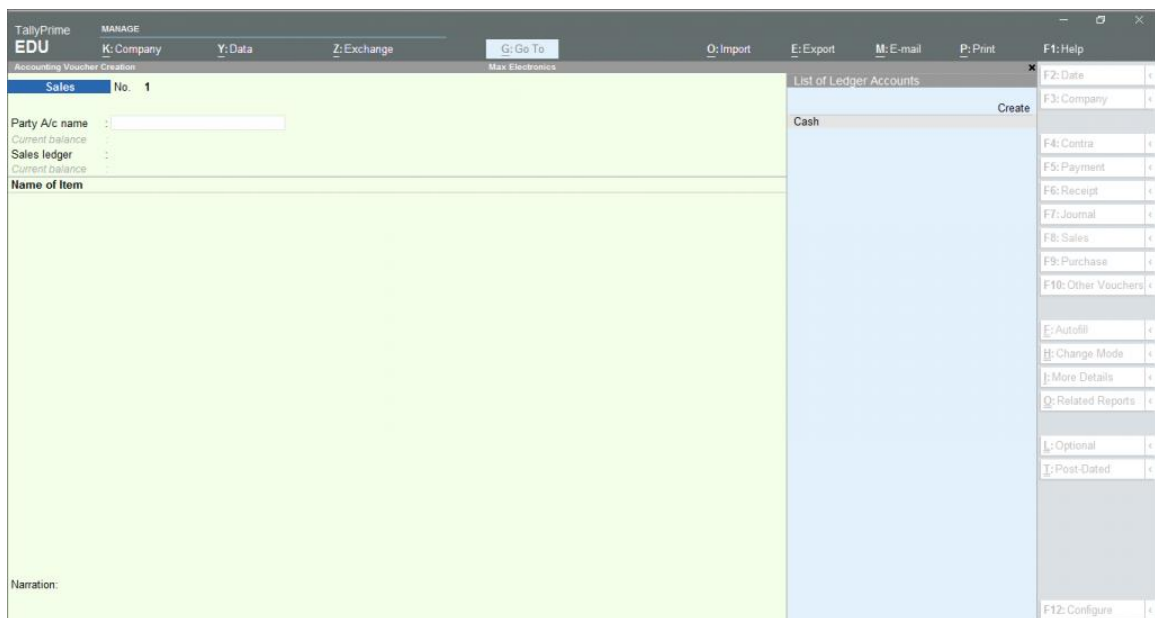
6. Purchase Voucher:

In this voucher, all the transaction related to company purchases is recorded. The purchase can be made in cash or borrowed or in the form of goods and services. To record the transaction, go to **Gateway of tally> Transaction> Vouchers>** Press F9.



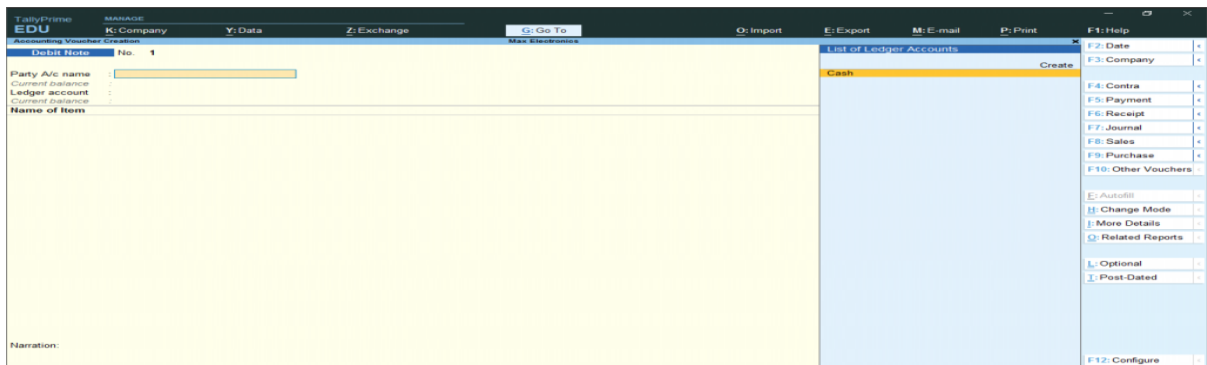
7. Sales Voucher:

It is one of the most used accounting vouchers in tally. Accountants can create two different formats, such as invoice and voucher in this type. Sales voucher records all sales transactions of the company in credit or cash. In vouchers, one can store transactional records electronically and print them for customers. To record this transaction, go to **Gateway of tally> Transaction> Vouchers> Press F8**.



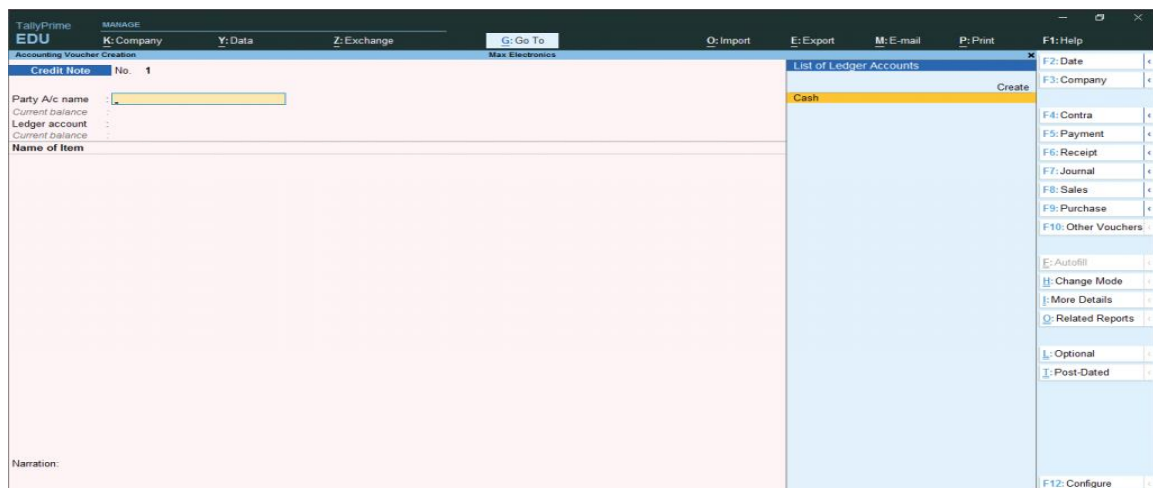
8. Debit Note

When a company returns the purchased commodity, it is recorded in these accounting vouchers in Tally. An accountant can also record interest calculations in this voucher. To record such transactions, go to **Gateway of tally> Transaction> Vouchers> Press Alt+ F5**.



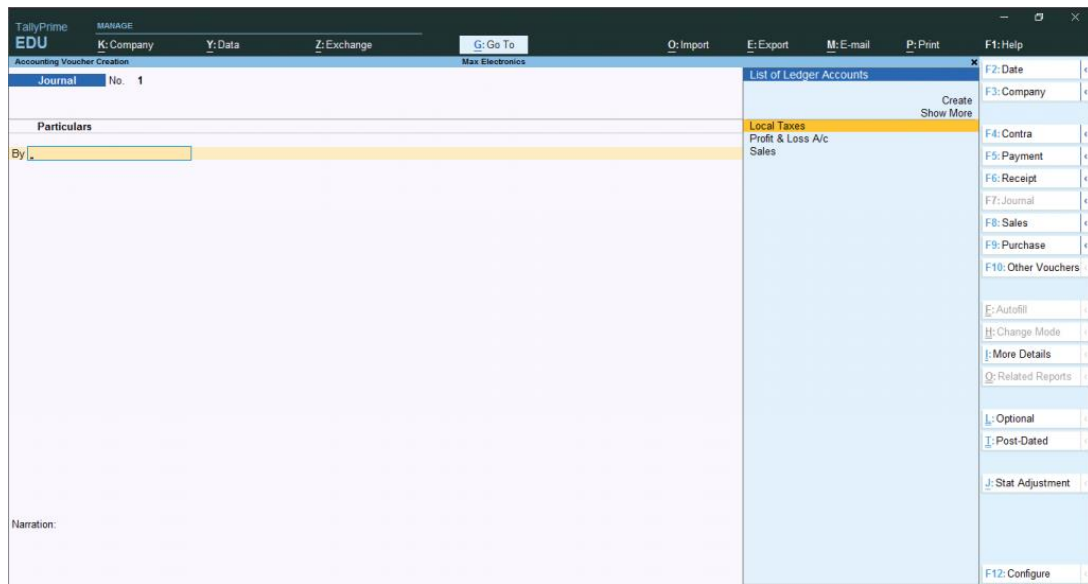
9. Credit Note

When a company returns the sold commodity, it is recorded in these accounting vouchers in Tally. An accountant can also record Transactions related to sales returns and interest calculations in this voucher. To record such transactions, go to **Gateway of tally> Transaction> Vouchers> Press Alt+F6**.



10. Journal

In Tally's inventory and accounting vouchers, users can use it as an optional voucher in Tally to make sales and purchases. An accountant can also use it to adjust or transfer stock from one warehouse to the other and for tax calculations and tax adjustment entries. To open this voucher, go to **Gateway of tally> Transaction> Vouchers> Press F7**.



4.3 INVENTORY VOUCHERS

Inventory Vouchers perform the function in the inventory system that accounting vouchers do in the accounting system. Inventory Vouchers are also means of entering transactions. Accounting vouchers will update only Accounts, but Inventory vouchers will update both Accounts and Inventory. Inventory vouchers record the receipt and issue of goods/stock (Movement of goods), the transfer of stock between locations and physical stock adjustments. If you have not integrated accounts with inventory, inventory vouchers will not have any impact on the Balance Sheet stock figures. The stock balances will be maintained separately.

- Set the option **Integrate accounts and inventory** to **Yes** in **F11: Features > F1: Accounting Features/F2: Inventory Features**.

Company: <u>ABC Company</u>			
<u>Inventory Features</u>			
<u>General</u>		<u>Invoicing</u>	
Integrate Accounts and Inventory	? Yes	Allow Invoicing	? Yes
Allow Zero valued entries	? No	Enter Purchases in Invoice Format	? Yes
<u>Storage & Classification</u>		Use Debit/Credit Notes	? No
Maintain Multiple Godowns	? No	Use Invoice mode for Credit Notes	? No
Maintain Stock Categories	? No	Use Invoice mode for Debit Notes	? No
Maintain Batch-wise Details (set Expiry Dates for Batches)	? No	Separate Discount column on Invoices	? No
Use different Actual & Billed Qty	? No	<u>Purchase Management</u>	
<u>Order Processing</u>		Track additional costs of Purchase	? No
Allow Purchase Order Processing	? No	<u>Sales Management</u>	
Allow Sales Order Processing	? No	Use Multiple Price Levels	? No
Allow Job Order Processing (Note : Enables Maintain Multiple Godowns and Use Material In/Out)	? No	<u>Other Features</u>	
		Use Tracking Numbers (Delivery/Receipt Notes)	? No
		Use Rejection Inward/Outward Notes	? No
		Use Material In/Out	? No
		Track Stock Item Cost	? No

F1: Accounts F2: Inventory F3: Statutory F4: Tally.NET F5: Audit

You can trace a transaction from the beginning i.e., goods transfer stage to the financial accounting stage irrespective of integration status.

For example, the purchase of stock can be tracked from the purchase voucher through the receipt note, through invoice from the supplier and also through eventual payment.

The tally comes pre-loaded with various inventory vouchers, each designed to do a specific job. The standard inventory vouchers in the total are as follows:

- Receipt note voucher (F9: Purchase)
- Rejections-in voucher (F8: Sales)
- Delivery note voucher (F8: Sales)
- Rejections-out voucher (F9: Purchase)
- Stock journal voucher (F7)
- Physical stock voucher (F10)

The Goods in Receipt Note and Goods Out Delivery Note vouchers will not be activated unless you have tracking numbers enabled in F11: company features. Tally will assume that goods are received with Purchase Vouchers and delivered in conjunction with Sales Vouchers/Invoices.

When you allow tracking numbers, you notify tally that you may receive goods that are not accompanied by the supplier's invoice – the invoice will arrive separately. You may also not

deliver goods with your invoice – you may invoice later. You can modify or create new vouchers to suit your company's needs.

For example, if you want to differentiate between delivery notes for stock delivered from different locations, you can use vouchers. A voucher consists of Voucher number, Reference number, Voucher date, Ledger Account Name and address of the supplier, Item name. Each type of **inventory vouchers in tally** are now explained.

Receipt note voucher

It is used to record the receipt of goods. For instance, the company may receive new inventory from a supplier. If a Purchase Order for that Supplier exists, selecting it will display the order details.

Rejections in Voucher

It is used for recording returned goods that a customer rejected. For example, the company restocks items produced by a customer.

Delivery Note Voucher

It is used for keeping track of goods delivered to a customer. For instance, the company may provide goods from inventory to a customer. If a Sales Order exists for that customer, selecting the appropriate Sales Order will display the pertinent information.

Rejections Out Voucher

It is used for keeping track of goods that are rejected and returned to a supplier. For example, the company returns to the supplier previously taken into stock items.

Stock Journal Voucher

To document stock transfers from one location to another. For example, the company moves inventory from the warehouse to the shop.

Physical Stock Voucher

To record actual stock that has been physically verified or counted. For example, stock discovered during a stock check. It is not uncommon for the company to find a difference between the actual stock and the computer stock figure.

If you've set your inventory vouchers to ignore physical stock differences, these physical stock vouchers will only be used for recording. However, if you have configured the coupons not to forget the physical stock difference, then all subsequent transactions will use the balance specified in the physical stock voucher.

4.4 INVOICING

An invoice is a document given to the buyer by the seller to collect payment. It includes the cost of the products purchased or services rendered to the buyer. Invoices can also serve as legal records, if they contain the names of the seller and client, description and price of goods or services, and the terms of payment.

Evolution of invoices



Fig :4.1 Evolution of Invoices

Stone invoices

Invoices and records of transactions were made as early as 5000 BC in Mesopotamia. The merchants used to carve details of transactions on clay or stone tablets using the earliest form of math.

Hand-written invoices

Invoicing later evolved to hand-written invoices on animal skin, parchment, or paper. These invoices contained most of the elements of a modern invoice and used signatures or seals.

Electronic invoices

The invention of computers brought about the next big change in invoicing. This revolution was triggered by the desire to reduce traditional costs and labour. Invoicing became cheaper, easier, and faster with electronic invoices.

Online invoices

The advent of the internet led to better, more secure, more green ways to communicate with clients. Online invoices are paperless as the invoices are sent through email, and payments are made online.

Mobile invoices

Invoicing in the modern world has gone mobile. Specialized SaaS (Software as a Service) companies ensure that invoicing is now automated, secure, and instant, so you can invoice on the move.

Functions of invoices

Companies need to deliver invoices in order to demand payments. An invoice is a legally binding agreement showing both parties' consent to the quoted price and payment conditions. However, there are other benefits to using invoices.

Maintaining records

The most important benefit of an invoice is the ability to keep a legal record of the sale. This makes it possible to find out when a good was sold, who bought it, and who sold it.

Payment tracking

An invoice is an invaluable tool for accounting. It helps both the seller and the buyer to keep track of their payments and amounts owed.

Legal protection

A proper invoice is legal proof of an agreement between the buyer and seller on a set price. It protects the merchant from fraudulent lawsuits.

Easy tax filing

Recording and maintaining all sale invoices helps the company report its income and ensure that it's paid the proper amount of taxes.

Business analytics

Analyzing invoices can help businesses gather information from their customers' buying patterns and identify trends, popular products, peak buying times, and more. This helps to develop effective marketing strategies.

There are several different types of invoices

- Pro forma Invoices
- Commercial Invoice
- Credit notes
- Timesheet Invoice

- Retainer Invoices
- Recurring Invoices

A pro forma invoice is a document that states the commitment of the seller to deliver goods and services to the buyer for an agreed-upon price.

ZYLKAR CORPORATION
1561 Applevue Town
Bakers Street
Chicago, IL 60411

PRO FORMA INVOICE
Invoice: #00121
July 21, 2015

<p>Bill to: Alistair Burke 1156 High Street Santa Cruz, CA 95064 800-555-0121</p>	<p>Ship To: Angeline Campbell 6040 Bandini Blvd Los Angeles, CA 92061 888-555-2235</p>	<p>Shipping Details: Freight Type: Air Est Ship Date: July 27, 2015 Est Gross Weight: 300 kg Total Packages: 10</p>
--	---	--

ID	Product Description	Qty	Unit Price	Amount (in USD)	
1	Ream of Paper	5	\$50	\$250.00	
2	Desk	5	\$100	\$500.00	
3	Windows Workstation	5	\$1000	\$5000.00	
Thank you for your business !				Subtotal	\$5750.00
				Tax Rate	5.00%
				Freight	\$100.00
				Total	\$6137.50

Signature / Stamp
Place:
Date:

Powered by Invoice

Fig :4.2 pro forma invoice

Bill To
Rodney Sanders
1007 Mountain Drive
Sebring
NY10029 NY

COMMERCIAL INVOICE

INV-000380
02 Jul 2018

Ship To
Winchester avenue
Harrietsfield
QC J0T-Y9P
Canada

Terms : Due end of next month
Due Date : 31 Aug 2018



Zylker
7455 Drew Court
White City
Kansas
66872
U.S.A
270-510-0585

--	--	--

Total \$520.000

#	Item & Description	Qty	Rate	Amount
1	Onyx Vase Beautifully designed and crafted	1.00	150.000	150.000
2	Rosewood Frame Proudly display your achievements	5.00	70.000	350.000
Sub Total (Tax Inclusive)				500.000
Sales Tax (6,5%)				9.155
Sales Tax1 (10%)				31.818
Shipping charge				20.000
Total				\$520.000
Balance Due				\$520.000

Notes

It was wonderful doing business with you. Thank you!

Payment Options  

Terms & Conditions

Please make payment within 30 days of issue of the invoice.

Fig :4.3 Commercial invoice



Zylker
7455 Drew Court
White City
Kansas
66872
U.S.A
270-510-0585

CREDIT NOTE

CN-17

Credits Remaining
\$562.750

Bill To
Rob & Joe Traders
4141 Hacienda Drive
Pleasanton
94588 CA
USA

Credit Date : 29 Jun 2018
Ref# : 321014

#	Item & Description	Qty	Rate	Amount
1	Brochure Design Brochure Design Single Sided Color	1.00	300.000	300.000
2	Web Design Packages(Template) - Basic Custom Themes for your business. Inclusive of 10 hours of marketing and annual training	1.00	250.000	250.000
3	Print Ad - Basic - Color Print Ad 1/8 size Color	1.00	80.000	80.000
Sub Total				630.000
Sample Tax1 (4.70%)				11.750
Sample Tax2 (7.00%)				21.000
Total				\$662.750
Credits Used				(-) 100.000
Credits Remaining				\$562.750

Notes

Thanks for your business.

Terms & Conditions

Your company's Terms and Conditions will be displayed here. You can add it in the Credit notes Preferences page under Settings.

Fig :4.4 Credit note



Zylker
7455 Drew Court
White City
Kansas
66872
U.S.A
270-510-0585

Invoice

Invoice# INV-000136

Balance Due
\$270.000

Invoice Date : 14 Dec 2016
Terms : Due on Receipt
Due Date : 14 Dec 2016
Project Name : Design

#	Task & Description	Hours	Rate	Amount
1	Coding	4.50	60.000	270.000
			Sub Total	270.000
			Total	\$270.000
			Balance Due	\$270.000

Notes

Thanks for your business.

Payment Options [PayPal](#)

Terms & Conditions

Please pay the Invoice before the due date.

Fig 4.5 Tips for invoicing

Here are some tips to help you make the best use of your invoices and ensure that you get paid promptly:

- Incentivize on-time or early invoice payments
- Make the invoice and payment process more convenient for customers
- Use recurring invoicing, if applicable
- Negotiate and establish payment terms in writing
- Get upfront payments
- Automate invoicing
- Work on creating closer relationships with clients
- Hold the work or stop projects if a client doesn't pay on time

Modern invoicing software

Modern invoicing software products from SaaS companies enable you to automate, speed up, and manage the invoicing process so that you get paid on time.

Modern Invoicing Software



Fig :4.6 Modern invoicing software

What you can do with invoice software:

Create customized invoices

Enjoy complete freedom over the look and feel of your invoices. Choose a premade template from a gallery and tailor it so you can build your brand the way you want.

Automate your workflows

Sit back and let your software take care of your invoices by automating tedious recurring tasks from invoicing workflows to payment reminders.

Make payments easy and secure

Invoicing software ensures that payments are absolutely secure with PCI DSS compliance. You can even automatically collect payments on a recurring basis.

Improve customer relations

Invoicing software helps your customer relationships reach a new level. Good invoicing software includes CRM support and a customer portal for customers to track their transactions or make payments online.

Advantages of using invoice software

Invoice software helps to streamline your accounting and financial processes by automating important tasks. By doing so, you can:

- Cut costs by reducing staff in the invoicing and billing department
- Save time on following up and chasing late payments
- Improve your cash flow with faster payment of invoices
- Reduce fraud and improve security
- Enhance customer relations by offering faster error resolution

4.5 PAY ROLL ACCOUNTING

Payroll accounting helps employers stay on top of what they owe employees and how it will impact cash flow.

- Payroll accounting is narrowly focused on all business expenses associated with employees.
- Accounting software can make payroll accounting easier.
- Payroll accounting can help businesses expand strategically and avoid overextending themselves.
- **This article is for small business owners and accountants who want to understand payroll accounting and how it relates to broader accounting practices.**

Accounting is a critical part of every business, but have you heard of payroll accounting? As the name suggests, this narrow focus of accounting aims at everything that has to do with payroll – not just salaries and wages, but benefit costs and payroll taxes too. A huge benefit of payroll accounting is a better understanding of the cost of each employee, which is the key to smart growth. Whatever industry your business is in, the best accounting software can improve your understanding of your payroll accounting and its impact on your bottom line.

Why is payroll accounting important?

Payroll accounting is a system of tracking business expenses related to payroll. This includes individual employee compensation as well as payroll taxes, employer portions of federal benefit withholdings, employee benefit payments and other deductions.

Payroll accounting systems ensure that you not only keep careful track of your payroll expenses, but also comply with local, state, and federal employment laws and don't run afoul of any tax rules.

Without payroll accounting, you can't get an accurate view of the total cost of your employees. This makes it difficult to understand the incremental cost of each additional employee you hire, and also to decide whether to hire full-time employees, contractors, or part-time hourly workers when you need to add to your workforce.

How to do Payroll Management in Tally ERP 9

Payroll is essentially an aggregation of the total amount of salaries paid to employees by an organisation. It is one of the most significant expenses for organisations, and also one of the most difficult expenses for firms to process. Payroll slips are a time-consuming operation that can be completed frequently, mid, or monthly, depending on the organisation's assets.

How to Deal with Payroll in Tally ERP 9?

Companies typically outsource payroll services from outside firms, making payroll accounting in tally a simple and straightforward procedure. Payroll service providers handle a variety of activities such as tax obligations, employee time calculation, check preparation and pay report administration. It gradually minimises the business's operating costs.

Has The Processing of Payroll Services Changed?

The procedure has changed with the introduction of ERP (Enterprise Resource Planning) systems like Tally ERP 9. Today, the software's 'Payroll Module' is completely linked with the company management system, allowing it to conduct trouble-free payroll processing as well as accounting operations.

The software provides a dependable remote facility, making it possible to access, process and manage payroll data from anywhere and at any time across the world.

There is also no need to hire specialised IT/HR personnel to administer and organise the payroll process in tally. Because with payroll tally ERP 9, the payroll process can be maintained independently and efficiently.

Salient features of Payroll in Tally ERP 9:

Payroll in tally ERP 9 provides the advantages of easier payroll accounting due to its interaction with accounts.

Tally's Payroll process

- ERP 9 generates comprehensive reports thanks to user-defined classifications and sub-categories. This could be related to employees, employee groupings, compensation components, departments, among others.
- The payroll process module also allows users to set flexible and user-defined criteria.
- It also allows you to establish user-defined earnings and deductions pay heads.
- The module allows us to group Payroll Masters in an infinite number of ways.
- Supports user-defined production units for production/attendance/time-based payment.
- It provides all-inclusive cost centre reports as well as employee-specific costing data.
- Using predetermined processes ensures timely and accurate processing of salaries, statutory employee deductions, and statutory employer contributions.
- It assists in the generation of Statutory forms and challans for EPF and ESI as required.
- The payroll module also aids in the tracking of employee loan information.

How and Where to Enable the Payroll Function in Tally ERP 9?

Payroll can be enabled in Tally by clicking on "F1" on the ERP 9 from the Cost/Profit Centers Management section. Accounting Features are located in the "F11": Company Features Panel.

To enable **Payroll in Tally ERP 9**, follow these steps:

1st Step: Navigate to Tally Gateway> F11: Features> F1: Accounting Features.

2nd Step: Scroll down to the section on Cost/Profit Centres Management.

3rd Step: Set the option Keep payroll to Yes.

4th Step: Configure the option- maintain several payroll or cost categories to Yes to allocate employee costs. Separate employee categories must be created in this regard.

5th Step: Enter to accept and save the changes and return to the Gateway of Tally screen.

How Can I Create a Payslip in Tally ERP 9?

In Tally, you can create a payslip in six simple steps:

1st Step: The first step is to create an employee master: G.O.T. (Gateway of Tally)>

Payroll Info> Employee Group> Create (Single).

You are required to enter the necessary Employee Details and Employee Group by categorising employees based on their role, such as their department for classification.

2nd Step: The following stage in this procedure is to generate payroll units.

Path for attendance/creation of production types: G.O.T. (Tally Gateway)> Payroll Information> Attendance/ Production Types> Create.

You need to provide a brief on the Attendance/Production type that will be utilised to record Attendance and Production details.

3rd Step: You will build pay heads for wage components in this stage.

Path for creating pay heads: G.O.T. (Tally Gateway)> Payroll Info> Pay Heads> Create.

Under Pay Head, all components of structured salary are generated. Tally ERP 9's pay head creation is quite user-friendly, as it allows you to create any complex sort of pay head.

4th Step: At this point, you will journalise or record salary information.

Path for creating salary details: G.O.T. (Tally Gateway)> Payroll Info> Salary Detail> Create

In this section, you will enter salary information for both Employee Groups and Individual Employees, including earnings, deductions, and the basis of computation, into the **Payroll Tally ERP 9** system.

5th Step: The following steps are required to create a voucher: - G.O.T. (Tally Gateway) --> Payroll Voucher —> To open a payroll voucher, press “Ctrl F5” and then “Ctrl F4”: finally, hit “Alt-A” to auto-populate information.

This is the final stage in the payroll voucher approval procedure. You will be needed to input all Earnings and Deductions in this section.

6th Step: To generate the created payslip.

Path to see payroll report: G.O.T. (Tally Gateway)> Display> Payroll Report> Payroll Statement

Finally, you must generate the Payslip, which will include employee details such as attendance and the Tally ERP 9 system itemising each component of the employee's earnings and deductions and presenting the net amount paid to him for a specific pay period.

How to Create Employee Groups in Tally?

This tutorial will teach you how to create, modify, and show employee groups in Tally. In Tally, an employee group may be made using either a single or multiple creation approach.

Tally Gateway> Payroll Info> Employee Groups> Single Group> Create is the path to take.

Step 1: On the Gateway of Tally page, select Payroll Info.

Step 2: Under payroll information, select “Employment Creation.”

Step 3: On the next screen, under employee groups, select the option to create a single group.

Step 4: On the employee group creation screen, fill in the following information:

- Select the employee category from the drop-down menu
- Then enter the name of the employee group.
- And select the group as the principal group.

After entering all of the necessary information for personnel group creation, press enter and select Yes to approve the information in Tally ERP 9.

Employee Configuration for Payroll in Tally

1. To alter the default display for the Employee Creation screen, press F12: Configure.
2. Select an option- Provide aliases in addition to your name? Select Yes if the employee has aliases.
3. Select an option- Do you have linguistic aliases for your name? Click on Yes to add the selected aliases in other languages (only while using the Multilingual feature)
4. Select an option- Add a note for the employees? Select Yes if you want to add notes or remarks for an employee.
5. Select an option- Display statutory information? Select Yes to enter the PAN, PF, PR, EPS Account Number, Joining Date, and Relieving Date.
Set the choice. Please include passport and visa information. select Yes to enter the employee's passport and visa information
7. Select an option- Give me the contract details? Select Yes, to add contract information such as Work Permit Number, Contract etc.
8. Set this option- Show employee display name to Yes. Click Yes when printing reports for printing a different name for an employee. This option is beneficial when several employees share the same name.
9. To accept, press Ctrl-A.

How to Set the Number of Employees in Tally Payroll?

1. Navigate to Tally Gateway> Payroll Info> Employees> Create (under Multiple Employees)
2. In the Under Employee Group field, select the employee group for which you want to create all of the employees. Select "All Items" in this section if you want to create an independent employee.
3. In the Category field, select the employee category to which you want to add the group. In this box, the default category Primary Cost Category is selected.
4. Fill in the Employee Name field with the employee's name.

5. In the Under field, select the employee group to which you want to add the employee.
6. In the Applicable Tax Regime column, select Regular Tax Regime (old regime) or Tax Regime U/s 115BAC (new regime).
7. Fill in the Income Tax Number (PAN) column with the employee's PAN.
8. Fill in the Date of Joining field with the employees' start date.

The Multi Employee Creation screen displays, as shown below, the details of the employees you added shown.

9. Accept the changes by pressing Ctrl-A.

An additional field on the Multi Employee Alteration page captures the effective date for the tax regime selected.

History of the Tax Regime

With two alternative income tax slabs to choose from, employees can change their tax regime in the middle of a fiscal year. Tally.ERP 9 allows you to select either tax regime at any moment. Every time an employee's tax regime is amended, you need to provide the date of revision. You can also use the Tax Regime History to track all the tax regimes applied to the employee's income.

In the Employee Alteration and Multi Employee Alteration windows in tally ERP 9 payroll, the button L: Tax Regime History is available. Click the button to access the Tax Regime History screen, which contains information about the tax regimes in effect at different times in the past.

Employee Master: In the employee master, you can put all of the details about the employees, such as statutory information, passport and visa information, contact information and additional details.

4.6 ADVANCED APPLICATIONS OF TALLY ERP-9

When it comes to ERP Software, Tally is offering Tally.ERP 9 for small and medium businesses to manage their enterprises efficiently. For over three decades now, Tally.ERP 9 is being used by business owners across India to manage their day-to-day operations and generate required business reports which help make important decisions.

Tally.ERP 9 is packed with a vast set of robust features that make the software reliable and flexible to use. We have enumerated these features below.

These are some of the key ERP Software features you as a business owner should look for in any ERP software.

Accounting management in Tally.ERP 9 software

- With Tally.ERP 9, a business owner can easily create and track sales vouchers; and get detailed reports on a daily, weekly, monthly or yearly sales basis
- Business owners can easily create purchase vouchers and view supplier-wise purchase details
- Order processing and tracking can be easily done using Tally's ERP software
- Businesses get full support and functionality to create journal, payment, receipt and contra vouchers

Banking transactions support in Tally.ERP 9 software

- Business owners can manage cheques easily with Tally.ERP9. You can generate cash/cheque deposit slips and track them.
- You will find it very handy to use Tally.ERP 9 for reconciling business transactions directly with bank statements. Just upload the soft copy of the statement into the software. Within a few seconds, you will get the list of reconciled transactions based on reference numbers.
- Tally.ERP 9 supports transactions made in the form of e-Payments with multiple banks.

Inventory management

- Tally.ERP 9 can be used to manage stocks in a very flexible manner. You can define unlimited stock groups, stock categories and arrange stock accordingly. Get reports based on stock groups and categories to get an overview of stock status across locations.
- Based on the business need, you can create multiple go downs and track stock go down-wise. Create multiple price lists for your business to manage different types of customers. Manage stocks with batches and access stock summary reports to view the stock position.

GST compliance in Tally.ERP 9 software

- Easily file GST Returns using Tally.ERP 9, complete support for GSTR-1 , GSTR-2 and GSTR-3B.
- Tally.ERP 9 is GST compliant. It is designed to handle GST transactions, reverse charge scenarios, advances and so on.

- With regard to GSTR-2, business owners and GSTPs can generate the form in JSON directly and file the return. Buying dealers can add missing purchase invoices, and purchases made as imports and reverse chargeable services to claim their Input Tax Credit.
- Business owners and GSTPs can send reports of mismatching or missing invoices to suppliers so that they take quick action to reconcile the lapses
- A salient feature of the latest Tally Release is that it marks vouchers in which changes are made during the invoice matching process. The list of changed vouchers can be used update the books without worrying about overwriting of data or appended transactions getting erased.

Easy access to business reports

- Business owners can access Balance Sheet, and Profit and Loss statement at any point in time in just one click before taking important business decisions.
- Tally.ERP 9 provides reports on payment performance of parties, item wise profitability, cash flow, fund flow and many more insightful reports for informed decision making.

Budgets and controls

- Budgets and Controls is one of the differentiating features in ERP software. Businesses typically allocate budget to different departments or cost centres and prefer to track the various expenses occurring in each unit. With Tally.ERP 9, businesses can define the budget for cost centres and track expenses against the budgets.
- Businesses can set the credit limit for parties, and before passing transactions Tally.ERP 9 warns the user if the particular transaction is crossing the defined limits.

Manage unlimited companies and group companies

- Tally.ERP 9 provides flexibility to manage data of multiple businesses operated within the same license. Users can see consolidated reports by creating Group Company in the ERP software.
- One of the key Tally's ERP Software feature is that user can see financial status of his Group Company and even compare financial reports between two quarters.

Security features in ERP Software

- The Tally Vault password encrypts and safeguards data from unauthorized access.

- User-level access and controls can be defined and granted by configuring the User Management settings.
- ERP Software functionality – Remote access
- You need to access business reports or add new business transactions remotely? Security is a typical concern when one has to access business data from other locations.
- With Tally.ERP 9, you can take important business decisions when necessary by accessing business data securely and making updates as required
- Synchronization of data from two or more places
- Tally’s ERP software feature of synchronization helps in managing centrally located data from two or more places of business. You can define and set the rules. Data gets synchronized even when new voucher data is entered.
- Version and pricing of ERP Software
- Tally.ERP 9 is available in two versions, Tally.ERP 9 Silver and Tally.ERP 9 Gold
- Tally.ERP 9 Silver is a single user license, priced at Rs. 18,000/- plus applicable GST
- Tally.ERP 9 Gold is a multi-user license, priced at Rs. 54,000/- plus applicable GST. With a multi-user license, unlimited number of users can work in parallel in a single LAN environment

4.7 BILL-WISE DETAILS

If we make an entry to a ledger that needs bill wise details, we have to give the details of the bill at the voucher entry itself. Where we can see the details of bills, specific credit periods and get the correct outstanding result [balance] of each ledger.

But when there are a lot of entries it becomes difficult to match a payment to an invoice. It is so that the details of creditors and debtors are maintained at the invoice level and called as Bill-Wise Accounting system.

Where do we find Bill wise Accounting feature in Tally.ERP 9?

We find this feature of Bill wise Accounting in Tally.ERP 9 under the Accounting feature head (F11)

Route to Access:

To enable the accounting features, go to Gateway of Tally > F11: Features > F1: Accounts.

We can now activate Bill wise accounting feature under the heading outstanding management features.

Bill wise Accounting:

Enable this option to display the option Maintain balances bill by bill in all ledgers created under sundry debtors and creditors. Where we enter the details of sales and purchases with the bill wise option activated, Tally.ERP 9 prompts us to identify the invoice with an appropriate reference number.

Types of Bill wise details in Tally.ERP 9

There are four types of bill wise detail.

New Reference	This is used at the time of passing sales and purchase entries which will later serve for Against reference entries to be passed under Sundry debtors and creditors ledger.
Against Reference	This reference is used when we pass receipt entries or payment entries against the references created at the time of passing of original entries such as sales and purchase.
Advance	This reference is used when any amount is received in advance for any services rendered or for any outward supplies of goods is made or when any amount is paid in advance for purchases to be made at the future date. In other words, this type of bill wise detail is maintained where the nature of service or nature of product or terms of business demands advance receipts/ advance payments to be made and to track these when the business gets materialized at the time of raising of bill or invoice, these entries would serve as reference.
On Account	An interest receipt entry, interest payment entries uses these types of references. But apart from these, this type of reference is also used when we are unsure of as of against which bill the sum has been settled by the debtor. So, all those types of entries are kept under this reference till the time it gets cleared as to which Invoice the sum relates to.

Overview of bill-wise details in Tally Prime

Benefits of maintaining Bill wise details in Tally.ERP 9

- To easily maintain/generate outstanding reports of Receivables and Payables

- To maintain & track Accounts Receivable and Accounts Payable based on every bill
- The primary benefit of this capability is the speed and ease which is enabled by Tally.ERP 9
- Helps in generating Age wise analysis report for receivables and payables

How to activate Bill wise Accounting in Tally.ERP 9?

It just takes few steps to activate this feature in Tally.ERP 9

Step 1:	To set Maintain Bill wise Details to Yes in F11: Accounting Features window
Step 2 :	To create a Party (Ledger A/c) under Sundry Debtors / <u>Sundry Creditors</u> group
Step 3 :	To set maintain balances bill by bill to Yes for the parties during ledger creation
Step 4 :	From Gateway of Tally > Accounting Vouchers > Sales (F8) or Purchase (F9) accordingly and enter the transaction by specifying a Bill reference No. along with due dates for the amount to be received or paid in the Bill Allocations for the screen (we can also break up the amount into multiple reference numbers with different due dates)

To generate various types of Bill wise summary report in Tally.ERP 9

Generally, to view Receivables / Payables Reports, we have to proceed to Gateway of Tally > Display > Statement of Accounts > Outstanding's > Receivables (to view due to the company). This report displays a bill by bill outstanding for all the parties with the pending amount along with the due date.

Report Type	Description
Individual party wise – Bill wise outstanding	<ul style="list-style-type: none"> • Select <u>Ledger</u> in the Outstanding's menu • We will now get a report displaying bill-by-bill details of all outstanding for the concerned party along with the total outstanding amount
Group Outstanding report – Bill wise outstanding	To View Group Outstanding Report, select Group in the Outstanding's menu and then select the specific group or sub group
Ageing analysis report – Bill wise outstanding	<ul style="list-style-type: none"> • We can also view Ageing Analysis of Outstanding's, by defining various ranges of

	<p>periods and view outstanding across the specified time slabs</p> <ul style="list-style-type: none"> • Such as 0 to 30 days, 30 to 45 days and 45 to 75 days and so on • To View Ageing Analysis Report, go to Gateway of Tally > Display > Outstanding's > Receivables or Payables • Select F6 (Age wise) • Specify Ageing Methods and the Periods
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Bill wise accounting for Non – Trading accounts

Maintaining details of every bill for trading accounts is possible in Tally.ERP 9 using Bill wise Details. The same powerful and convenient feature is available for tracking and managing non- trading accounts like Loans, Advances and Instalment Payments etc. as well. Using this feature, business owners can easily track bills for expenses, any instalments to be paid or loan amounts to be received. 'Bill wise Details' hence can be used to track the details of any already made or due payments and also to generate payables or receivables reports with minimum effort.

How to activate:

Go to Gateway of Tally > Press - F11: Accounting Features > Set 'Yes' to 'Maintain Bill wise Details (for Non-Trading A/c s also).

COST CENTERS AND COST CATEGORIES

What is a cost centre?

A cost centre is nothing but a separate department within a business to which costs can be allocated. This also includes departments which do not produce directly but incur costs to the business. For example, the manager and employees of the cost centre are not accountable for the profitability and investment decisions of the business but they are responsible for some of its costs.

Major categories of cost centre

There are two main types of cost centres

- Cost centres related to production - where the products are manufactured or processed. Example of this is an assembly area.
- Cost centres related to provision of services - where services are provided to other cost centres. A simplest example for our understanding could be personnel department or the canteen.

Cost centre and Tally.ERP 9

In Tally.ERP 9, the cost centre could refer to an organizational unit to which costs or expenses can be allocated during transactions while the cost category is used to accumulate costs or profits for parallel sets of cost centres.

For example, we can use cost centre to track expenses of each employee while cost category can be used to see the effectiveness of each project.

To enable cost centre and cost category in Tally.ERP 9

It's a three step process which can be tabularized as under:

Step 1	Go to Gateway of Tally > F - 11: Features > F - 1: Accounting Features
Step 2	Set 'Maintain Cost Centres to 'Yes'
Step 3	Set 'More than ONE Payroll/ Cost Category' to 'Yes'

How to use Cost centres in Tally.ERP 9?

- **Creating cost centres and cost categories:** The first thing is to create the cost centre to which the costs can be allocated.

To create Cost centre: Follow these steps

Step 1	Go to Gateway of Tally.ERP 9 > Accounts Info. > Cost Centres > Select 'Create' under Single Cost Centres.						
Step 2	Select the Cost Category under which we want to classify the cost centre created and to do this follow: <table border="1" data-bbox="395 1288 1331 1527"> <tr> <td>Step 1</td> <td>Go to Gateway of Tally > Accounts Info. > Cost Categories</td> </tr> <tr> <td>Step 2</td> <td>Select 'Create' under 'Single Cost Category</td> </tr> <tr> <td>Step 3</td> <td>Enter the Cost Category name and accept the screen.</td> </tr> </table>	Step 1	Go to Gateway of Tally > Accounts Info. > Cost Categories	Step 2	Select 'Create' under 'Single Cost Category	Step 3	Enter the Cost Category name and accept the screen.
Step 1	Go to Gateway of Tally > Accounts Info. > Cost Categories						
Step 2	Select 'Create' under 'Single Cost Category						
Step 3	Enter the Cost Category name and accept the screen.						

- **Allocating expenses to cost centre :** - To allocate expenses to each cost centres while making payment the first thing which needs to be done is to create the expense ledger in Accounting vouchers section and then pass entry for payment transaction.

To pass the entry for payment transaction:

Step 1	Go to Gateway of Tally > Accounting Vouchers > F5: Payment
Step 2	Debit the 'Expense' ledger with the required amount
Step 3	Press Enter to open 'Cost Allocation' screen
Step 4	Select the 'Cost Category'

Step 5	Allocate each cost centre created with the required amount
Step 6	Credit Bank or Cash to complete the payment transaction

How to generate cost centres report in Tally.ERP 9?

For speedy identification and detailed analysis of how costs are allocated to your business units, Tally ERP 9 provides reports to show complete details of all the cost centres and their related transactions in different ways. These reports are:

- Category Summary
- Cost Centre Break up
- Ledger Break up
- Group Break up

Cost Centre report type	How to generate report
Category Summary	<p>Purpose: Cost Category Summary displays the information on all cost categories to which we have allocated the voucher transactions.</p> <p>The pathway to generate this report is as follows Go to Gateway of Tally > Display > Statements of Accounts > Cost Centres.</p>
Cost Centre Break-up	<p>Purpose: Cost centre Break up shows the ledger accounts that are used in vouchers, the cost centre they were allocated to, their total transaction values and the balance.</p> <p>To access the Cost Centre, Break up screen,</p> <ul style="list-style-type: none"> • Go to Gateway of Tally > Display > Statements of Accounts > Cost Centres > Cost Centre Break up • Select a cost centre • Click F1: Detailed to see the ledgers.
Ledger Break-up	<p>To access the Ledger, break up screen,</p> <ul style="list-style-type: none"> • Go to Gateway of Tally > Display > Statement of Accounts > Cost Centres > Ledger Break up. • Then select a ledger account for which the cost ledger break up has to be viewed
Group Break-up	<p>Purpose: The Group break up of cost centre gives you another view of a cost centre report by enabling you to analyse the</p>

	<p>distribution of a group (of ledger accounts) across different cost centres.</p> <p>To access the Group break-up screen,</p> <ul style="list-style-type: none"> · Go to Gateway of Tally > Display > Statements of Accounts > Cost Centres > Group Break up. · Then select a group account, say for example, Indirect Expenses. · The total Indirect Expenses allocated to different Cost Centres under different Cost categories will displayed.
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Cost Categories

Cost categories are useful for organisations that require allocation of revenue and non-revenue items to parallel sets of cost centres. Cost categories facilitate third-dimensional reporting of expenditure and revenue. For example, region-wise or geography-wise, Grade-wise, Department-wise, cost categories.

You can use cost categories you can allocate, in parallel, a transaction to more than one set of cost centres. For example, Cost Centres such as Marketing, Finance and Manufacturing can now belong to a category - Departments.

The Salesmen A, B, and C can be Cost Centres under a Category - Executives.

Similarly, you can create a new Cost Category **Projects** under which Cost Centres such as airport construction, road construction and buildings may be created. The classification appears as following:

Cost Categories	Departments	Executives	Projects
Cost Centres	Marketing	Salesman A	Airport Construction
	Manufacturing	Salesman B	Road Construction
	Finance	Salesman C	Buildings

You can specify a **Cost Category** to allow allocation of only revenue items or items of both revenue and capital (Non-Revenue) nature.

By allocating expenses to parallel Cost Centres under different categories, you are simply assigning the amounts to them; the amount does not increase. Tally.ERP 9 performs an automatic reconciliation on real-time basis, saving you the effort of reconciling Ledgers and Cost Centres.

Enable Cost Category

Cost categories are useful for organisations that require allocation of revenue and non-revenue items to parallel sets of cost centres. Enable cost categories in F11 features to create and use cost categories.

1. From Gateway of Tally > Click F11: Features > Accounting Features.
2. Enable the option Maintain Cost Centres?
3. Enable the option Maintain more than one payroll or cost category?

The **Company Operations Alterations** screen appears as shown below:

Cost/Profit Centres Management	
Maintain payroll	? No
Maintain cost centres	? Yes
Use cost centre for job costing	? No
Maintain more than one payroll or cost category	? Yes
Use pre-defined cost centre allocations in transactions	? No
Show opening balance for revenue items in reports	? No

4. Press Ctrl+E to save the Company Operations Alteration screen.

Cost Categories are now enabled for the company.

Create a Cost Category

On enabling cost categories, the option Cost Category is available in the Accounts Info. menu. By default, all cost centres are grouped under Primary Cost Category. You can create cost categories and group cost centres under cost centres, as required. Multiple cost categories can be created in one go in multiple mode.

In this section

Single cost category

Multiple cost categories

Single Cost Category

1. Go to **Gateway of Tally > Accounts Info. > Cost Categories > Create** (under **Single Cost Category**).
2. Enter the Name.

- Set the option **Allocate Revenue Items** to **Yes** to allocate all sales, purchase, expenses and income-related transactions to cost centres created under this cost category.
- Set the option **Allocate Non-Revenue Items** to **Yes** to allocate transactions related to capital account and other non-revenue accounts to cost centres created under this category.

The **Cost Category Creation** screen appears as shown below:

Cost Category Creation	
Name	: Bangalore
(alias)	:
Allocate Revenue Items	? Yes
Allocate Non-Revenue Items	? No

Note: At least one of the options **Allocate Revenue Items** or **Allocate Non-Revenue Items** must be enabled.

Create multiple cost categories

- Go to **Gateway of Tally > Accounts Info. > Cost Categories > Create** (under **Multiple Cost categories**).
- Enter the **Name of Category**.
- Enable **Revenue Items** to allocate all sales, purchase, expenses and income-related transactions to cost centres created under this cost category.
- Enable **Non-Revenue Items** to allocate transactions related to capital account and other non-revenue accounts to cost centres created under this category.
- Press **Enter**.
- Enter **Name of Category** and select **Allocations for the Category** as required.

The **Multi Cost Category Creation** screen appears as shown below:

Multi Cost Category Creation		ABC Company		Ctrl + M
S.No.	Name of Category	Allocations for		
		Revenue Items	Non-Revenue Items	
1.	Mumbai	Yes	No	
2.	New Delhi	Yes	No	
				Accept ?
				Yes or No

- Press **Enter** to save the Cost Categories.

Note: At least one of the options **Allocate Revenue Items** or **Allocate Non-Revenue Items** must be enabled for a cost category.

Alter a Cost Category

You can alter an existing cost category in the single mode. Alternatively, multiple cost categories can be altered in the multiple mode, if required. Cost categories can also be deleted in the alteration mode, if there are no cost centres tagged to the cost category.

In this section

Alter a single cost category

Alter multiple cost categories in one-go

Alter a single cost category

1. Go to **Gateway of Tally > Accounts Info. > Cost Categories > Alter** (under **Single Cost Category**).

Note: You can alter many cost categories in one go by selecting **Alter** under **Multiple Cost Categories** in the **Cost Categories** menu.

2. Select the **Cost Category** from the **List of Categories**. The **Cost Category Alteration** screen appears.
3. Make the changes in the required fields.
4. Press **Ctrl+E** to accept.

Alter multiple cost categories in one-go

You can alter multiple Cost Categories at a time in this mode.

- Go to **Gateway of Tally > Accounts Info. > Cost Categories > Alter** (under **Multiple Cost Categories**).

The **Multi Cost Category Alteration** screen displays. Make the necessary changes and accept to save.

Multi Cost Category Alteration		ABC Company		Ctrl + M
S.No.	Name of Category	Allocations for		
		Revenue Items	Non-Revenue Items	
1.	Bangalore	Yes	No	
2.	Mumbai	Yes	No	
3.	New Delhi	Yes	No	
4.	Primary Cost Category	Yes	Yes	

Note: You will not be able to delete a Cost Category in multiple mode.

The following buttons are provided in the multi cost centre mode.

- **F6: Skip names:** It is used for quicker data entry when you need to alter only the Allocation details and not the names of the Cost Categories.
- **F8: Skip Details:** It is used for faster data entry when you do not need to alter the Allocation (Revenue and Non- revenue) details. You need to give only the names and the default allocations of Yes for Revenue and No for Non-revenue display automatically when you are creating Cost Categories. If you are in Alter mode, the allocations that you opted for when creating the Categories are retained.
- **Groups, Ledgers, Cost CT:** It enables you to switch to these areas, without having to quit from the current screen.
- **F11: Features:** It is used to change company features. For more information, refer F11: Features in Tally.ERP 9.

Note: F12: Configuration changes affect all companies, whereas **F11: Features** changes affect only the current company.

Delete a Cost category

1. Go to **Gateway of Tally > Accounts Info. > Cost Categories > Alter** (under **Single Cost Category**).
2. Select the **Cost Category** from the **List of Categories**. The **Cost Category Alteration** screen appears.
3. Click **D: Delete**.
4. Click **Enter** to confirm deletion of the cost category.

VOUCHER CLASS

Voucher Classes are used to automate accounting allocations in transactions. It is a table for predefining the entries to make invoice entry a simple task. This is useful in sales invoicing where the nominal ledger accounts to be credited for each item of sale is defined once.

During voucher entry, the accounting credits for items sold are done automatically. Additional accounting entries like tax, freight, and other charges, can be predefined to be carried out untouched during actual invoicing.

Voucher Classes are available for all major voucher types like Contra, Payment, Receipt, Journal, Sales, Credit Note, Purchases, Debit Note, Sales Order, Purchase Order, Delivery Note, Stock Journal and Payroll.

Voucher Class for Debit Notes and Credit Notes

Voucher classes for Credit Notes are similar to sales invoices except for one important inclusion. You can set the class for interest entries to enable adjustment of interest payable. If

the Interest option is selected, the other sales invoice-like options will not be available. A separate class may be created for entries like Sales Returns. Since Sales and Purchase Invoice classes have already been dealt with, we shall not elaborate on this behaviour anymore.

Debit Note classes can be set for interest entries only. Classes for other entries are not available as the invoice mode of entry is not possible for Debit Notes.

Voucher Classes for Payment, Receipt and Contra Vouchers

The primary intention of using classes for payment, receipt and contra vouchers is to enable data input in **single entry** or list mode rather than in Tally's traditional double entry mode.

Let us take an example of a **Payment Voucher**.

Create payment voucher class

You can either alter the existing **Payment Voucher Type** or create a new voucher type based on your requirements.

- Go to **Gateway of Tally > Accounts Info > Voucher Types > A later > Payment**.
- Take the cursor to the **Name of Class** field. Give a name to the class say Cash Payment. You can create more than one class.

Voucher Type Class		ABC Company		Ctrl + M						
Name (alias)	Pay	Class : Cash Payment		List of Ledger Accounts						
If you wish to restrict the groups to which this class can be used, specify them here										
Exclude these Groups		Include these Groups								
Bank Accounts Bank OD A/c		J End of List								
Type of Voucher	Abbr.									
Method of Voucher										
Use Advance Con										
Use EFFECTIVE De										
Make 'Optional' as o										
Use Common Narrat										
Narrations for each v										
Specific Ledger for which this Class is created (e.g. Cash, or a Bank Account)										
Ledger Name	VAT/Tax Class									
Cash - Location B										
<table border="1"> <tr> <td>J Not Applicable</td> </tr> <tr> <td>Cash - Location A</td> </tr> <tr> <td>Cash - Location B</td> </tr> <tr> <td>Local Bank</td> </tr> <tr> <td>Local Bank-Bangalore Branch</td> </tr> <tr> <td>National Visa Card</td> </tr> </table>					J Not Applicable	Cash - Location A	Cash - Location B	Local Bank	Local Bank-Bangalore Branch	National Visa Card
J Not Applicable										
Cash - Location A										
Cash - Location B										
Local Bank										
Local Bank-Bangalore Branch										
National Visa Card										

- **Exclude these Groups and Include these Groups:** Using this option, you can select only those groups pertaining to the Class, which makes the entry simpler.
- **Ledger Name:** Selecting the ledger account that will be used to pay out the money will eliminate the need to select it during entry. In this case, it is Cash Account. While passing the payment voucher, the Cash-Location B account will be automatically selected. You may even select 'Not Applicable'. The purpose of selecting 'Not Applicable' will be, to permit Single Entry mode and at the same time retaining the option of selecting the account during entry.

Note: **Exclude** or **Include** Groups are irrelevant when you specify a Ledger Name for which the class is created. They are useful when you select **Not Applicable**.

Record Payment with Voucher Class

Select **Accounting vouchers** from **Gateway of Tally**. Press **F5: Payment**. You have to select a class or **Not Applicable**, if no class is desired for this entry. If **Cost Centre Class** has been set, it can also be selected.

<u>Voucher Type</u>		
Name	: Payment	Voucher Class List
Class	: Cash Payment	┆ Not Applicable
		Cash Payment

The entry will be made as follows:

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment	No. 1	Voucher Class : Cash Payment	1-Apr-2008 Tuesday
Account : Cash - Location B Cur Bal: 21,300.00 Dr			
Particulars	Amount		
Conveyance	1,000.00		
Cur Bal: 1,000.00 Dr			
Staff Welfare	1,500.00		
Cur Bal: 1,500.00 Dr			
Stationery	1,200.00		
Cur Bal: 1,200.00 Dr			
Narration: Cash paid towards Conveyance, Staff Welfare and Stationery expense.			
			2,700.00
			Accept ?
			Yes or No

The **Voucher Class** is **Cash Payment**. Once the voucher class is selected, the Cash Ledger is automatically selected and you need to select only the Ledgers which are to be debited. Please note that the entry is not done in the regular **Dr/Cr** format. Data entry in Tally.ERP 9 is very rapid.

Voucher Class for purchases

Purchase Voucher Classes are templates where you can restrict accounts to be used in entries as well as automate accounting entries for items and expenses. You can either alter the existing Purchase Voucher Type or create a new voucher type based on the requirements.

In this section

Create Purchase Voucher Class

Record Purchases using voucher class

Create Purchase Voucher Class

1. Go to **Gateway of Tally > Accounts Info. > Voucher Type > Alter > Purchase**.
2. Give a name to the class under **Name of Class**, for example, **Purchase Class**. You can create more than one class. (Make sure that **Enter Purchases in Invoice Format** in **F11: Features** is enabled to create class). Create the Class as shown below:

Voucher Type Class		ABC Company					Ctrl + M
Name (alias)	Purchase	Class : Purchase Class					Name of Class Purchase Class
If you wish to restrict the groups to which this class can be used, specify them here.		Exclude these Groups		Include these Groups			
Type of Voucher	P	J End of List		J End of List			
Abbr.	P	Default Accounting Allocations for all items in Invoice (except for the items specified below)					
Method of Voucher Numbering		Ledger Name	Percentage %	Rounding Method	Rounding Limit	Override using Item Default ?	
Use Advance Configuration		Local Purchase	100 %			No	
Use EFFECTIVE Dates for Voucher		Default Accounting Allocations for: J Not Applicable					
Make 'Optional' as default		Name of Item	Percentage %	Rounding Method	Rounding Limit		
Use Common Narration		Ledger Name		Method	Limit		
Use Narrations for each entry		Additional Accounting Entries (e.g. Taxes / Other charges) to be added in Invoice					
		Ledger Name	Type of Calculation	Value Basis	Rounding Method	Rounding Limit	
						Remove if Zero ?	
		Freight	As User Defined Value			Yes	

In Default Accounting Allocations for each Item in Invoice (except for the items specified below) section

3. **Select the Purchase Ledger – Local Purchases.** All the stock items that will be entered in the voucher using this class, except for those specified in the **Default Accounting Allocations** for section, will be automatically allocated to **Local Purchases**. Of course, the stock item record remains as it is and can be viewed separately.
4. Specify **100%** in **Percentage** field.
5. Set **Override using Item Defaults?** to **No**.
6. **Default Accounting Allocations:** Set **Default Accounting Allocations** to **Not Applicable** (Refer to **Voucher Class - Allocation of Stock Item** for the usages of this option).
7. Save the details.

Record Purchases using voucher class

1. Record Purchase by passing a Purchase entry using the voucher Class.
2. Go to **Gateway of Tally > Accounting Vouchers > F9: Purchase**.
3. Select the Class.

<u>Voucher Type</u>		
Name	: Purchase	Voucher Class List
Class	: Purchase Class	↓ Not Applicable
		Purchase Class

4. Select the **Supplier Account**.

Accounting Voucher Creation		ABC Company	Ctrl + M
Purchase	No. 1	Voucher Class : Purchase Class	List of Ledger Accounts
Supplier Invoice No. :	PUR001/2013-14	Date : 1.Apr.2013	Cash
Party's A/c Name :	Supplier A		Cash - Location A
Current Balance :	10,000.00 Cr		Cash - Location B
Name of Item		Quantity	Customer A
			Debtor A
			Debtor B
			Debtor C
			LMN & Company
			Local Bank
			Local Bank - Bangalore Branch
			National Visa Card
			PQR Debtors
			SLN Gift Vouchers
			Supplier A
			Supplier B
Narration:			

You will observe that the **Ledger Accounts** grouped under **Sundry Debtors** are also listed as you have not specified any condition to exclude Sundry Debtors Group. If you have specified Sundry Debtors under Exclude option, then Tally would have displayed the Ledgers excluding those Ledgers grouped under Sundry Debtors.

Please note that the **Freight Ledger** is automatically displayed and the user has to only specify the value.

Accounting Voucher Creation		ABC Company		Ctrl + M
Purchase	No. 1	Voucher Class : Purchase Class		1-Apr-2013 Monday
Supplier Invoice No. :	PUR001/2013-14	Date :	1-Apr-2013	
Party's A/c Name :	Supplier A			
Current Balance :	10,000.00 Cr			
Name of Item	Quantity	Rate per	Amount	
Item B	100 Nos	10.00 Nos	1,000.00	
Item C	100 Nos	15.00 Nos	1,500.00	
			<hr/>	
			2,500.00	
Freight			100.00	
Narration: Purchase of Item B and Item C from Supplier A				
			200 Nos	Accept? Yes or No

Once you select **Item B**, specify the **Quantity** and **Rate**, the value will be automatically calculated and the cursor will directly move to the Name of Item field instead of popping up the **Accounting Allocations** for screen.

Voucher class for Payroll

Payroll Voucher Classes are templates where you can restrict accounts to be used in entries as well as automate payroll entries. You can either alter the existing payroll voucher type or create a new voucher type based on requirements.

In this section

Create Payroll Voucher Class

Record Payroll Voucher using Voucher Class

Create Payroll Voucher Class

1. Go to **Gateway of Tally > Accounts Info. > Voucher Type > Alter > Payroll.**
2. Enter a name to the class to be created under **Name of Class** in the **Voucher Type Alteration** screen. You can create more than one class.

Note: Enable the option, **maintain payroll** in **F11: Features** to create a class.

The **Voucher Type Class** screen appears as shown below:

Voucher Type Class		ABC Company		Ctrl + M
Name : Payroll (class)		Class : Payroll Class		List of Ledger Accounts
If you wish to restrict the groups to which this class can be used, specify them here.				
Exclude these Groups		Include these Groups		Bank of Baroda
J End of List		J End of List		Canara Bank
				Cash
				Cash One H
				ESI Payable
				HDFC Bank
				HDFC OD A/c
				ICICI Bank
				IOB OD
				Kotak Bank
				PF Payable
				Salary Payable
				State Bank of India
				TMC Cooperative Bank
Ledger to use :				
Ledger Name				
Bank of Baroda				

2. Select the ledger name.

Record Payroll Voucher using Voucher Class

1. Go to **Gateway of Tally > Payroll Vouchers > F4: Payroll.**
2. Select the class from **Voucher Class List** as shown below:

Voucher Type		
Name	: Payroll	Voucher Class List
Class	: Payroll Class	J Not Applicable
		Payroll Class

3. Press **Alta** to auto fill payroll and the **Payroll Auto Fill** screen appears with class.
4. Go to **Gateway of Tally > Payroll Vouchers.** The **Payroll Voucher Creation** screen is displayed with the bank ledger by default.
5. Press **Alta** to auto fill payroll details. The **Payroll Auto Fill** screen appears with class as shown below:

Payroll Auto Fill ABC Company Ctrl + M

Payroll No. 1 Voucher Class : Payroll Class 31-Mar-2015 Tuesday

Account : Bank of Baroda Cur Bal: 21,001.00 Dr

Particulars Amount

Branch Office

Narration:

Payroll Auto Fill

Name : Payroll

Class : Payroll Class

Process for : **Process List**

From (blank for beginning) : 1-3-2015

To (blank for end) : 31-3-2015

Employee Category : Primary Cost Category

Employee/Group : All Items

Sort by : Employee Name

Process List

User defined Salary

6. E enter the required details.
7. Enter the bank allocation details as shown below:

Bank Allocations ABC Company Ctrl + M

Payroll No. 1 Voucher Class : Payroll Class 31-Mar-2015 Tuesday

Account : Bank of Baroda Cur Bal: 21,001.00 Dr

Particulars Amount

Primary Cost Category 13,534.00 Dr

Ajay 13,534.00 Dr

Basic Pay 10,000.00 Dr Cur Bal: 10,000.00 Dr

House Rent Allowance 4,000.00 Dr Cur Bal: 4,000.00 Dr

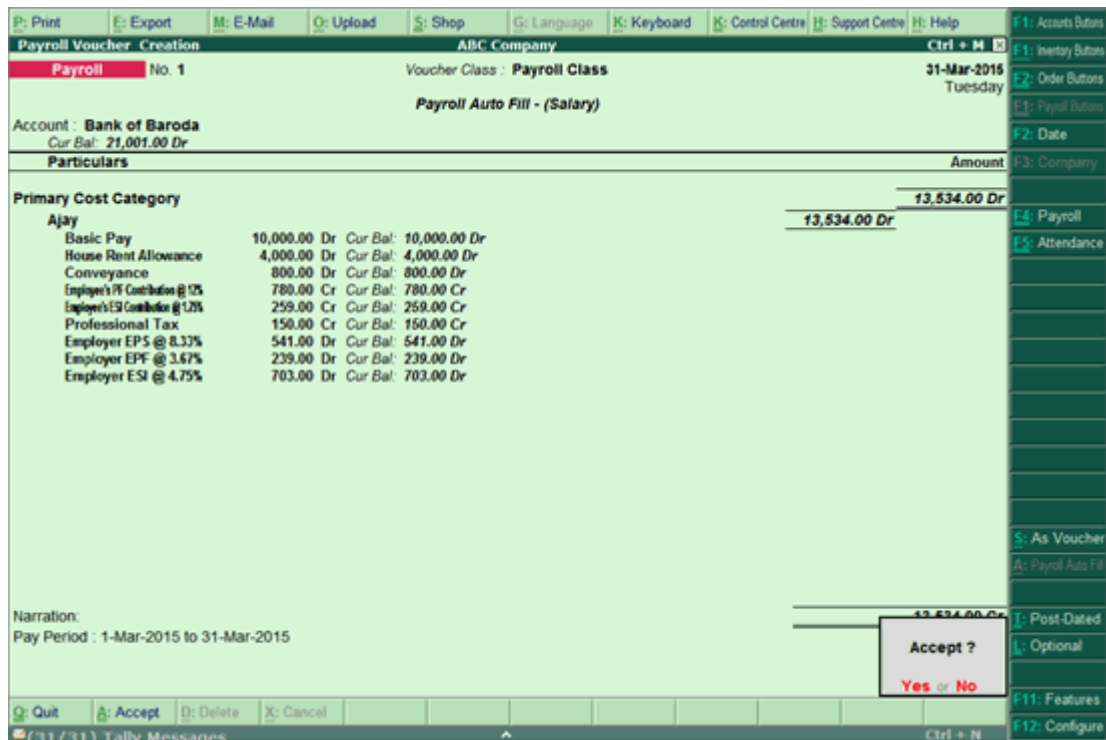
Compensance 800.00 Dr Cur Bal: 800.00 Dr

Bank Allocations for : Bank of Baroda

For: 13,534.00

Nickname	Favouring Name	Transaction Type	Amount
Not Applicable	Ajay	Cheque	13,534.00
Inst. No. : 343658 Inst. Date : 31-Mar-2015 Cross Using : A/c Payee			

The filled screen appears as shown below:



9. Save the transaction.

Cost Centre Class

The purpose of **Cost Centre Classes** is to facilitate predetermined allocation of cost centres to Ledger accounts (like expenses and incomes) during voucher entry.

The Automation of cost centre allocation involves creation of classes and predefining percentages for cost centres.

Cost centre classes affect all voucher types. In voucher entry, depending upon the cost centre class, the allocation will be carried out in the background without the allocation screen being displayed at all.

Create Cost Centre Classes

Before you select classes, it is advisable to create the cost centre structure.

Define the Classes required and indicate which cost centres will be affected for each class.

For example, you might have the following structure:

- Divisions
 - Export
 - Wholesale
 - Retail

- Departments
 - Finance
 - Marketing

Where Divisions and Departments Are **Cost Categories** and the others are cost centres.

Now, you would like to allocate sales to the following Cost Centre Classes:

- Export Class - to allocate 100% of Export sales to the cost centre Export
- Wholesale Class - to allocate 100% of wholesale sales to the cost centre Wholesale
- Retail Class - to allocate 100% of retail sales to the cost centre Retail

You would also like to allocate all the sales (Export, Wholesale and Retail) to the Marketing Department.

Along with the above mentioned, you would also like to allocate Marketing Expenses on a pro-rata in the following manner:

- Finance – 50%
- Marketing – 50%

With this structure, let us now set up the classes.

To set up Cost Centre Classes

1. Go to Gateway of Tally > F11: Features > F1: Accounting Features. Set the option Use pre-defined cost centre allocations in transactions to Yes.

Cost/Profit Centres Management	
Maintain payroll	? No
Maintain cost centres	? Yes
Use cost centre for job costing	? Yes
Maintain more than one payroll or cost category	? Yes
Use pre-defined cost centre allocations in transactions	? Yes
Show opening balance for revenue items in reports	? No

(The other options can remain as previously set and are not discussed here.)

2. Click Enter, which will pop up Auto Cost Allocations-Cost Centre Classes creation screen. Type the Class name and select the Categories and the respective cost centres. Specify the percentage of allocation. After entry, your auto-cost allocation screen will be displayed as shown:

Auto Cost Allocations		
<u>Cost Centre Classes</u>		
Name: ABC Company		
<hr/>		
Class Name		
<hr/>		
Export Class		
Divisions		
Export		100 %
Department		
Marketing		100 %
Wholesale Class		
Divisions		
Wholesale		100 %
Department		
Marketing		100 %
Retail Class		
Divisions		
Retail		100 %
Department		
Marketing		100 %
Marketing Expenses		
Department		
Finance		50 %
Marketing		50 %

You have created the **Cost Centre Classes** as Export, Wholesale, Retail and Marketing Expenses. Divisions and Departments are cost categories. Export, Wholesale and Retail are cost centres under Divisions. Marketing and Finance are cost centres under Departments.

It is not necessary to have the same names for the classes and the cost centres, as shown in the above example.

Use Cost Centre Class

Each voucher now contains the **Cost Centre/Classes** option at its head. Select **Not Applicable** in case you want to allocate manually. Select a **cost centre class** to **auto-allocate** according to the predefined percentages set in that class.

Let us examine this with two examples, a **sales entry** and a payment entry.

In sales, let us select **Export** as the **Cost Centre Class**.

1. Go to the **Voucher Entry** Screen.
2. Select **F8: Sales**.

Accounting Voucher Creation		ABC Company	Ctrl + M
Sales No. 3		Cost Centre/Classes :	Auto Cost List
Ref :			<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Export Export Class Finance Marketing Marketing Expenses Retail Retail Class Salesman A Salesman B Salesman C Wholesale Wholesale Class
Party's A/c Name :			
Current Balance :			
Sales Ledger :			
Name of Item	Quantity		

3. Select one of the **classes** created earlier, in this case Export.
4. Now enter the **sales invoice**. The cost centre allocation sub-screen will not be displayed but the allocation will be done automatically.
5. After accepting the entry, check the cost centre displays to verify whether the allocation was done correctly.
6. Similarly, when you press **F5: Payment**, similar options are displayed. Select **Marketing Expenses** in that case. The cost centre allocation sub-screen will not be displayed but the allocation will be done automatically.

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment No. 4		Cost Centre/Classes : Marketing Expenses	1-Apr-2008 Tuesday
Particulars	Debit	Credit	
By Travelling and Conveyance Cur Bal: 10,000.00 Dr	10,000.00		
To Cash - Location A Cur Bal: 1,40,000.00 Dr		10,000.00	
Narration: Expenses towards Travelling and Conveyance		10,000.00	10,000.00
		Accept ? Yes or No	

7. Use **Pug** to check the entry in alteration mode. It will display the allocation in the voucher.

Accounting Voucher Alteration		ABC Company	Ctrl + M
Payment No. 4		Cost Centre/Classes : Marketing Expenses	
		1-Apr-2008 Tuesday	
Particulars	Debit	Credit	
By Travelling and Conveyance <i>Cur Bal: 10,000.00 Dr</i>	10,000.00		
Department			
Finance	5,000.00 Dr		
Marketing	5,000.00 Dr		
To Cash - Location A <i>Cur Bal: 1,40,000.00 Dr</i>		10,000.00	
Narration:		10,000.00	10,000.00
Expenses towards Travelling and Conveyance			

8. Check the **cost centre reports** for allocation.

4.8 BANK RECONCILIATION

Reconciling the company's bank books with the banker's statement is a regular task of accounting. In Tally.ERP 9, Reconciliation of Bank Books facilitates the following:

Ability to **check back** the correctness of reconciliation

Tally.ERP 9 uses **Bank Date** to mark the voucher. For instance, if a cheque is issued on 8th April and the bank clears it on 19th April, the **Bank Date** for the voucher can be set to 19th April. This means that when there is a need to **check back** later, whether the entry made is correct or not, the bank statement of 19th April needs to be viewed for verification.

Recovering the Reconciliation of any Date

This is of crucial importance in Auditing. The Bank Reconciliation is one of the pre-requisites of auditing and verification of the correctness of accounts at the year end. However, it is not a **real-time** task, meaning auditors do not do it on the first day of the next year.

Note: For e.g., a reconciliation made on 31st March, should be **viewable** even in August, by when almost all the cheques would have subsequently been marked Reconciled. The Bank Reconciliation feature provides facilitates this also.

Bank accounts may have a different **Starting Date** for reconciliation purposes. When a bank account is created, user is prompted to give an **Effective Date for Reconciliation**. Normally, this would be the **Books Beginning from date** itself.

If the data is imported from a previous version of Tally or from any other system (where the reconciliation process was not available or was different), the reconciliation of bank account with the bank statements need to be done from the very beginning. To reconcile, give the date from which the reconciliation is to be done. Once this is done, entries made earlier than this date will not appear for reconciliation, but appears as a reconciled Opening Balance.

A quick experiment with Reconciliation will show what it all means.

1. Bring up the **monthly summary** of any **bank book**.

(Choose a bank book from any of the following: **Balance Sheet, Trial Balance** or **Display > Account Books > Cash/Bank Books**)

2. Bring the cursor to the first month (typically April), and press **Enter**. This brings up the vouchers for the month of April. Since this is a bank account, there is an additional button **F5: Reconcile** on the button bar, press to the right. Press **F5** to **reconcile**.

3. The display goes to the Reconciliation mode, which can be edited. The primary component of the current screen is the column for Bank Date.

Bank Reconciliation		ABC Company				Ctrl + M		
Ledger: Axis Bank		(Reconciliation - All Vouchers)				1-Apr-2012 to 30-Apr-2012		
Date	Particulars	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit
5-4-2012	KLE Technologies	Payment	Same Bank Transfer	000002645637	5-4-2012	5-4-2012		7,501.00
9-4-2012	Bright Enterprises	Payment	Inter Bank Transfer	000051206214	9-4-2012	10-4-2012		5,400.00
25-4-2012	Top Distributers	Receipt	Inter Bank Transfer	000054125710	25-4-2012	2-5-2012	4,500.00	
30-4-2012	Conveyance Exp	Payment	Cheque	005412	30-4-2012	3-5-2012		850.00
Balance as per company books:							15,749.00	
Amounts not reflected in bank:							4,500.00	850.00
Amounts not reflected in company books:								
Balance as per bank:							12,099.00	
Balance as per Imported Bank Statement:								
Difference:								

4. The Reconciliation found at the bottom of the screen shows:

- Balance as per company books
- Amount not reflected in bank
- Amount not reflected in company books
- Balance as per bank
- Balance as per Imported Bank Statement
- Difference

The **Balance as per company books** reflects the balance as on the last date (in the example, it is 30th April).

The **Amount not reflected in bank** are the debit and credit sums of all those vouchers, whose Bank Date is either **BLANK**, or **LATER** than 30-Apr (i.e. these vouchers have not yet been reflected in the bank statement).

The **Amount not reflected in company books** are entries which are present in the bank statement but are not recorded in company's books.

The **Balance as per bank** is the net effect of the Book Balance offset by the amounts not reflected in the Bank – which must be equal to the balance in the bank statement.

The **Balance as per Imported Bank Statement** refers to the balance displayed on importing the bank statement for reconciliation.

The **difference in Bank Balance** (difference in **Balance as per Bank** and **Balance as per Imported Bank Statement**) will be shown here.

Note: Some discrepancies may persist due to entries made in the bank statement, which may not have been entered in the books of accounts.

Reconciling Manually

As the individual vouchers are marked for reconciliation by setting the **Bank Date**, the Reconciled value at the bottom of the screen keeps updating the changes. Once this process is complete, press **Ctrl + A** or **Enter** as many times as necessary to skip over the unmarked vouchers and accept the screen.

The next time user opts for reconciliation, the screen displays only those vouchers that remain un-reconciled. However, the vouchers reconciled already can be viewed to edit the marking if required, by using **F12: Configure**

Set **Show Reconciled Vouchers also** to **Yes** to see the reconciled vouchers.

Note: Reconciliation can be done only for available physical transactions. It is not possible to reconcile opening balance.

Set **Allow back dated Reconciliation** to **Yes** to enter **bank dates** which are lesser than the Voucher date.

Press **atop** or click on the **Print** button to print your reconciliation report.

The **print preview** screen is displayed as shown below:

ABC Company Nice Building Clean Street Bangalore Axis Bank Reconciliation Statement 1-Apr-2012 to 30-Apr-2012								
Date	Particulars	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit
5-4-2012	KLE Technologies	Payment	Same Bank Transfer	000002645637	5-4-2012	5-4-2012		7,501.00
9-4-2012	Bright Enterprises	Payment	Inter Bank Transfer	000051206214	9-4-2012	10-4-2012		5,400.00
25-4-2012	Top Distributers	Receipt	Inter Bank Transfer	000054125710	25-4-2012	2-5-2012	4,500.00	
30-4-2012	Conveyance Exp	Payment	Cheque	005412	30-4-2012	3-5-2012		850.00
Balance as per Company Books :							15,749.00	
Amounts not reflected in Bank :							4,500.00	850.00
Amounts not reflected in Company Books :								
Balance as per Bank :							12,099.00	
Balance as per Imported Bank Statement :								
Difference :								

Auto Reconciliation

For banks enabled with the feature of auto reconciliation in ledger master, the buttons:

- **B: Bank Statement** and **R: Reconcile Unlinked** appear on the **right side button bar**
- **D: Delete Unlinked** button appears on the button bar above **Info Panel**.

Since **e-Banking** is enabled for many banks, Import and View Bank Statements options will get enabled only if these banks are predefined for auto reconciliation while creating or altering the **Bank Ledger**.

Note: Download the bank statement and save it in a separate folder. In case where the savings/current accounts are maintained in multiple banks, the downloaded bank statement have to be saved in separate folders. This will ensure proper import of data in the supported format for reconciliation of data present in bank statement and the company's books of accounts.

The Excel, MT940 or .CSV files can be imported using **B: Bank Statement** button (Alb). On pressing this button, the **Bank Statement File** screen displays the **Directory** which was specified as the **Location** of Bank Statements in **F12: Configuration > Banking Configuration**. Select the **File Type** as per the bank statement format.

By setting the option Show Imported Bank Statement to Yes in F12: Configuration, the bank statement which is already imported can be selected again for import. The files will be listed in alphabetical order with details of file type and import status (showing whether it is already imported or not).

The **Bank Statement** which would be imported can be previewed using **I: With View** button (Altair) and then imported using **I: Import** button (Altair). It can also be imported even before generating the preview. Users must ensure that the bank statements being imported haven't been edited or altered in any way. If any changes are made, the error message - **Not a valid format** will be displayed while importing the statement.

During import, the **Import progress bar** gets displayed followed by the **Success** message with Count of Total Entries in bank Statement, transactions Reconciled and Additional Bank Entries. The imported statements can be hidden from the list of files displayed for selection using

After import, bank dates will get filled in **Bank Dates** field automatically in Bank Reconciliation statement.

The transactions which have been executed at the bank's end (example, bank charges, interest credit etc.) but not yet reflected in the books of accounts will appear under the **Amount Not Reflected in Company Books**.

The unlinked transactions can be reconciled to **existing transactions** or new vouchers can be created to link it (to create vouchers click on **C: Create Vouchers** button or press **Baltic**) using this information or delete them.

Note: It is suggested to **save the Bank Reconciliation** before **reconciling the Unlinked Transactions** to avoid mistakes.

4.9 MULTI CURRENCY IN TALLY.ERP 9

Many Organizations have transactions in more than one currency. Such transactions have to be recorded either in the base (home) currency or in the foreign currency. If the transactions are recorded in home currency, the rate at which the foreign currency is exchanged should be recorded as well. At times you need to record the transaction in the foreign currency itself when you maintain the balance of the concerned account in foreign currency.

Select Base Currency while creating a Company

Tally.ERP 9 uses the term base currency for the currency in which your account books are kept. Foreign Exchange is used interchangeably with foreign currency. Tally.ERP 9 makes it easy to manage multiple currencies, automatic calculations of exchange rates, automatic conversion of any currency used to record a transaction to the currency of the account, etc.

The **Balance Sheet** and **Profit & Loss Account** of the company is maintained in the base currency. Conversion of foreign currency account balances is done as per rules set by you. Base currency information for the company can be defined during company creation.

Company Creation		Books and Financial Year Details	
Directory	: C:\Tally.ERP 9\Data	Financial Year from	: 1-4-2015
Name	: ABC Company	Books beginning from	: 1-4-2015
Primary Mailing Details		Security Control	
Mailing Name	: ABC Company	TallyVault Password (if any)	:
Address	: Mahalakshmi Chambers HSR Layout	Repeat Password	:
Country	: India	<i>(Warning: Forgetting TallyVault password will make your data unusable)</i>	
State	: Karnataka	Use security control	? No
PIN Code	: 560102	<i>(Enable security to avail Tally.NET features)</i>	
Contact Details			
Telephone No.	: 08065958512		
Mobile No.	: 9732140000		
Fax No.	: 5021215000		
E-Mail	: abc@company.in		
Website	:		
Base Currency Information			
Base Currency Symbol	: ₹	Number of decimal places	: 2
Formal name	: INR	Word representing amount after decimal	: paise
Suffix symbol to amount	? No	No. of decimal places for amount in words	: 2
Add space between amount and symbol	? Yes		
Show amount in millions	? No		

Note: At time of installing Tally.ERP 9, if the country is **India/SAARC**, the **Currency Symbol** is by default set as **in** the Company master otherwise if the Country Selection is opted as **International (Others)**, the **Currency Symbol** is by default set as **£** in the Company master.

Enable Multi-currency

At times you need to record the transaction in the foreign currency itself when you maintain the balance of the concerned account in foreign currency. You can create multiple currencies as per your business needs. Enable the Multi-Currency feature to view and enter transactions in multiple currencies.

1. Go to **Gateway of Tally**.
2. Click **F11: Features > F1: Accounting Features**.
3. Set the option **Enable multi-currency** to **Yes**
4. Press **Ctrl+E** to save.

Create a Currency

You can create a currency and use it as your base or foreign currency. You can set preferences like currency symbol and decimal places accordingly when creating or altering a currency.

1. Go to **Gateway of Tally > Accounts Info. > Currencies > Create.**

Currency Creation		ABC Cor
Symbol	:	\$
Formal name	:	Dollar
Number of decimal places	:	2
Show amount in millions	?	No
Suffix symbol to amount	?	No
Add space between amount and symbol	?	No
Word representing amount after decimal	:	
No. of decimal places for amount in words	:	2

2. Enter the currency **Symbol** field. This symbol appears in your reports, wherever applicable.

Note: Use **ASCII Special Characters** with [Alt] key combination, if your keyboard does not have the symbol. Utilities like Character Map (Start > **All Programs > Accessories > System Tools**) in Windows show the key combination for most symbols. This might be different on some notebook computers. Refer to the computer's user manual or the vendor.

3. Enter the name of the currency in **Formal name**. For example, US Dollars to distinguish different currencies having the same symbol. For example, you have two companies (ABC & XYZ) in Tally.ERP 9. ABC and XYZ have different set of currencies. ABC uses symbol \$ for **Australian Dollars** and XYZ uses the symbol \$ for **U.S. Dollars**. The formal name distinguishes two different currencies with the same symbol, when you compare Books of Accounts of the two companies. The company that is loaded first retains the original symbol for display purposes. The other company's currency symbol will be prefixed with the first letter/first few letters (to make it unique) of the formal name. Here, if ABC is loaded first then the symbol \$ is for Australian Dollars and in XYZ (loaded next) the symbol \$ is prefixed with the letter U (first letter of its formal name).

Note: You cannot assign a duplicate Formal Name for a currency in Tally.ERP 9.

4. Enter the **number of decimal places** for the currency in **Number of decimal places**.
E.g. Currencies with 2 decimal places like paisa and currencies with three decimal

places like dinar. There are currencies that do not have decimal places, e.g., Vietnamese Dong.

5. Tally.ERP 9 has two formats for displaying an amount, viz., in millions and in lakhs. 1000000 (one followed by six zeroes) in millions format would appear as 1,000,000 and lakhs would appear as 10,00,000.
6. Select the required parameter in **Show amounts in millions** field. If you select **No**, the amounts will appear in Lakhs, by default.

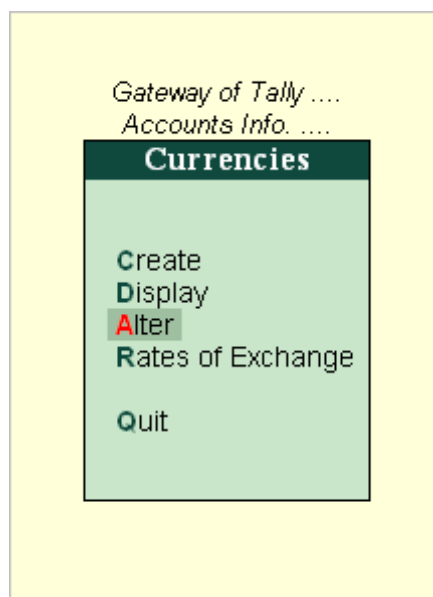
Note: You can always specify the appearance of numbers in specific reports, e.g. In Profit & Loss Account display, click **F12: Configure** to change scale factors for values.

7. Set **Suffix symbol to amount** to **Yes** for the symbol to appear after the amount.
8. Set **Add space between amount and symbol?** to **Yes** to apply a space between amounts and symbol.
9. Enter the s symbol for **decimal** portion of currency in **Word representing amount after decimal** field. Egg., Ps. for Paisa.
10. Enter the number of decimal places for printing the amounts in words in **No. of decimal places for amounts in words** field. This number should be equal to or lesser than the number specified in **Number of decimal places** field.

Alter a Currency

You can modify or delete a currency master in the alteration mode of the currency master. The rate of exchange can also be altered from here.

1. Go to **Gateway of Tally > Accounts Info. > Currencies > Alter.**



2. Select a **Currency** from the **List of Currencies** list
3. In the **Currency Alteration** screen, modify details as required. For more information refer **Creating a Currency** .

Standard			Selling			Buying		
Date	Specified Rate		Date	Last Voucher Rate	Specified Rate	Date	Last Voucher Rate	Specified Rate

Note: At any given date, when the rate of exchange is available in both **Last Voucher Date** and **Specified Rate** fields in the currency master, it will consider the rate available in the **Last Voucher Rate** field only.

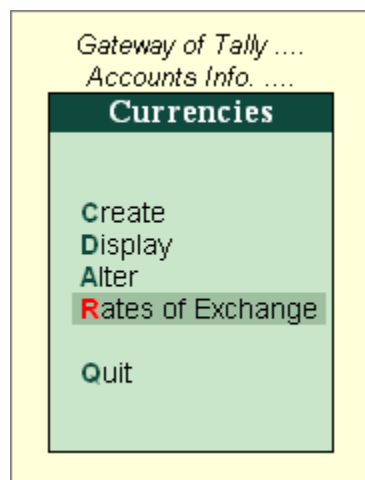
In a remote connection, if the **Formal Name** defined in a ledger while passing a transaction is not the same as defined in the company selected, an error message is displayed.

For example, **must use currency “\$” for ledger "Sales”**.

Define Rates of Exchange for Currency

Foreign exchange variations occur every day with different selling and buying rates. You can record the rate of currency applicable for a particular date and use it in transactions. The standard rate, selling rate, and buying rate can be updated from the **Multi-Currency Alteration** screen. Tally.ERP 9 automatically calculates Forex Gain or Loss for foreign exchange transactions using the rates specified in the **Multi-Currency Alteration** screen.

1. Go to **Gateway of Tally > Accounts Info > Currencies > Rates of Exchange**.



The **Multi-Currency Alteration** screen appears as shown below:

Multi-Currency Alteration		ABC Company		Ctrl + M		
Date for rate of exchange : 1-Apr-2008						
S.No.	Currency	Std Rate	Selling Rate		Buying Rate	
			Last Voucher Rate	Specified Rate	Last Voucher Rate	Specified Rate
1.	A\$ (Australian Dollar)	₹ 100/A\$	₹ 250/A\$	₹ 200/A\$		
2.	D\$ (Dollar)		₹ 600/D\$	₹ 500/D\$		
3.	YY (Yen)	₹ 160/YY	₹ 400/YY	₹ 250/YY		

2. Enter the **date** for which the exchange rate is applicable
3. Enter the **Standard Rate (optional)** which is used to calculate variances from the actual transaction rates
4. Enter the **Selling Rate** (your selling rate)
5. Enter the **Buying Rate** (your buying rate)
6. Press **Enter** to save the **Multi-Currency Alteration** screen.

Note: For currencies that have been used in transactions, the **Last Voucher Rate** is displayed for reference.

Delete a Currency

1. Go to **Gateway of Tally > Accounts Info. > Currencies > Alter.**
2. Select a currency from the **Currencies** list (displayed, if there is more than 1 currency).
3. Press **Halted** in the **Currency Alteration** screen to delete.

Note: You cannot delete a currency if it is used in a transaction.

INTERST CALCULATION

Interest is a legitimate return on money invested and chargeable in the business world on loans and also on delayed payments. Interest can be calculated on the basis of Simple or Compound Interest. With Tally.ERP 9 you can obtain reports on interest calculated based on the configurations made. Interest is calculated on outstanding receivables or payables.

Enable interest calculation

1. Click **F11 > F1(Accounting Features).**
2. Set the option **Activate interest calculation** to **Yes.**
3. Press **Ctrl+E** to save the **Company Operations Alteration.**

Calculate interest in simple mode

Interest calculation on outstanding balances is allowed for any ledger account. Configure the interest rate and style of calculation in the ledger master to start calculating interest on outstanding amounts. Interest on outstanding balances can also be calculated transaction-by-transaction .

1. Go to **Gateway of Tally > Accounts Info. > Ledgers > Alter (Single) > XY Bank (bank account)**
2. Set **Activate interest calculation?** to **Yes**. The **Interest Parameters** screen appears.
3. In the **Calculate Interest Based On?** field select the **Date Type**, as required.
4. Set **Include transaction date for interest calculation**. This can be enabled **for Amounts added** and/ or **for Amounts Deducted**.
5. Enter the **Rate** of interest.
6. Select the **Interest Style**, as required. The rate of interest will be calculated on the basis of the interest style applied.

Note: If the interest style selected is **365-day Year**, then the interest will be calculated for 365 days irrespective of the number of days in the calendar year. If **Calendar Year** is selected as the interest style, then the rate of interest will be calculated on 365 days or 366 days, depending on the number of days as per the calendar.

7. Select required details in other fields of **Ledger Creation** screen.
8. Press **Ctrl+E** to save.

Calculate interest transaction-by-transaction

Interest calculation can be done bill-by-bill for accounts grouped under **Sundry Debtors** and **Sundry Creditors**.

1. In the party ledger alteration screen, set **Activate interest calculation?** to **Yes**. The **Interest Parameters** screen appears.
2. Set **Calculate Interest Transaction-by-transaction?** to **Yes**.
3. Set **Override Parameters for each Transaction?** to **Yes** to change the parameters during voucher or invoice entry.
4. Enter the rate of interest in the field **Rate**.
5. Select the **Interest Style**, as required. The rate of interest will be calculated on the basis of the interest style applied.

Calculate interest in advanced mode

The advanced parameters are used when interest rates change periodically. Number of days, balance type, and applicable from date to be considered for interest calculation can be configured using advanced parameters.

Enable advanced parameters

1. Go to **Gateway of Tally > F11: Features > Accounting Features**
2. Set **Activate interest calculation?** to **Yes**.
3. Set **Use advanced parameters?** to **Yes**.
4. Press **Ctrl+E** to accept the changes.

Set advanced configuration for a party

1. In the party ledger master set **Calculate Interest Transaction-by-Transaction?** to **Yes** to calculate interest for each transaction.
2. Set **Override Parameters for each Transaction?** to **Yes** to displays the **Interest Parameters** screen while recording the transaction. The defined parameters can be modified during voucher entry.
3. Set **Override advanced parameters?** to **Yes**.
4. Enter the **Rate** of interest.
5. Select the **Interest Style**, as required. The rate of interest will be calculated on the basis of the interest style applied.
6. Select the balance on which the interest has to be calculated. Interest can be calculated on credit balance, debit balance or both credit and debit balances.
7. Select the **Applicability** of the interest as required. If **Past Due Date** is selected, then the number of days after which interest has to be applied can be specified.
8. Select the date from which interest is applicable in the **Calculate from** field.
9. Select the rounding method applicable in the **Rounding** field. Select **Not Applicable** for saving values as is without rounding off.
10. Define multiple slabs with different rates and applicability.

The **Interest Parameters** screen with multiple slabs appears as shown below:

<u>Interest Parameters</u>	
Calculate Interest Transaction-by-Transaction	? Yes
Override Parameters for each Transaction	? Yes
Override advanced parameters	? Yes
Rate : 5 % per 365-Day Year on Debit Balances Only <i>Applicability : Past Due Date by 10 days Calculate From : Date Specified During Entry</i> <i>Rounding : J Not Applicable</i>	
Rate : 10 % per 365-Day Year on Debit Balances Only <i>Applicability : Past Due Date by 60 days Calculate From : Date Specified During Entry</i> <i>Rounding : J Not Applicable</i>	
Rate : <input type="text" value=""/> % per	on

11. Press **Ctrl+E** to accept the configuration.

12. Press **Ctrl+E** to save the ledger.

In case of the above configuration, interest will be calculated at 5% starting from 10th day after due date and at 10% starting from 60th day after due date. Similarly, multiple slabs can be configured with different interest style, applicability, calculate from and rounding.

Calculate interest on Group

The **Group Interest Calculation** statement is a list of all accounts and sub-groups belonging to the selected group that displays the current balance in each account or sub-group and the total interest.

1. Go to **Gateway of Tally > Display > Statements of Accounts > Interest Calculations > Group**
2. Select a **Group**, E.g. **Loans (Liability)**

Group Interest Calculations		ABC Company		Ctrl + M	
Particulars	Loans (Liability)				
	ABC Company				
	1-Apr-2008 to 31-Mar-2009				
Interest Calculation					
	Cl. Balance	Interest			
Bank Loan Account	4,80,000.00 Cr	65,023.23 Cr			
Grand Total	4,80,000.00 Cr	65,023.23 Cr			

Note: The **Cr** in the interest amount indicates that it is a liability.

3. Press **Enter** to drill down to the Ledger Level Interest report.

Calculate interest on Ledger Balances

You can get a report on the **Ledger balances** for the interest calculated.

1. Go to **Gateway of Tally > Display > Statements of Accounts > Interest Calculations > Ledger**
2. Select an Account, for example, **Bank Loan Account**. The **Ledger Interest** report appears as shown below:

Ledger Interest						ABC Company	
Ledger: Bank Loan Account						1-Apr-2008 to 28-Feb-2009	
Balance	From:	To:	Total Days	Rate %	Interest		
50,000.00 Cr	31-Mar-2008	18-Apr-2008	18 days	12 %	295.89 Cr		
41,500.00 Cr	18-Apr-2008	1-Oct-2008	166 days	12 %	2,264.88 Cr		
30,000.00 Cr	1-Oct-2008	31-Dec-2008	91 days	13.50 %	1,009.73 Cr		
30,000.00 Cr	31-Dec-2008	28-Feb-2009	59 days	20 %	969.86 Cr		
Grand Total					4,540.36 Cr		

View interest amount on invoices

You can calculate interest on each invoice for the period it is outstanding, wholly or partly. Transaction by transaction or bill-by-bill interest calculation is permitted for party accounts

like accounts under the groups sundry debtors and sundry creditors. For interest calculation on each bill, Bill-wise details should be enabled for the company and the party.

The **Ledger Interest** report displays the interest calculated for the ledger selected. If a part of the amount is settled, then interest is calculated only on the amount pending to be repaid.

1. Go to **Gateway of Tally > Display > Statements of Accounts > Interest Calculations > Ledger.**
2. Select the required ledger. The **Ledger Interest** report appears as shown below:

Ledger Interest		ABC Company		Ctrl + M
Ledger : Shanthi Traders		1-Apr-2015 to 4-Aug-2015		
Date	Ref. No.	Opening Amount	Pending Amount	Interest
2-Jun-2015	81	1,82,812.50 Dr	1,82,812.50 Dr	2,779.75 Dr
		1,82,812.50 Dr	1,82,812.50 Dr	2,779.75 Dr

3. Click **F1: Detailed** to view the calculation and period.

Ledger Interest		ABC Company				Ctrl + M	
Ledger : Shanthi Traders		1-Apr-2015 to 30-Aug-2015					
Date	Ref. No.	Opening Amount	Pending Amount	Interest			
2-Jun-2015	81	1,82,812.50 Dr	1,82,812.50 Dr	4,081.98 Dr			
1,82,812.50 Dr	4-Jun-2015	15-Jun-2015	11 days	5 %	275.47 Dr		
1,82,812.50 Dr	15-Jun-2015	30-Aug-2015	76 days	10 %	3,806.51 Dr		
15-Jun-2015	103	15,750.00 Dr	15,750.00 Dr	174.76 Dr			
15,750.00 Dr	25-Jun-2015	15-Aug-2015	51 days	5 %	110.03 Dr		
15,750.00 Dr	15-Aug-2015	30-Aug-2015	15 days	10 %	64.73 Dr		
23-Jun-2015	113	1,41,400.00 Dr	1,41,400.00 Dr	1,259.04 Dr			
1,41,400.00 Dr	3-Jul-2015	23-Aug-2015	51 days	5 %	987.86 Dr		
1,41,400.00 Dr	23-Aug-2015	30-Aug-2015	7 days	10 %	271.18 Dr		
30-Jun-2015	121	1,01,000.00 Dr	1,01,000.00 Dr	705.62 Dr			
1,01,000.00 Dr	10-Jul-2015	30-Aug-2015	51 days	5 %	705.62 Dr		
		4,40,962.50 Dr	4,40,962.50 Dr	6,221.40 Dr			

Note: In case if part of the amount is settled, the interest is calculated on the remaining balance.

Now check the interest amount due.

Ledger Interest		ABC Company				Ctrl + M	
Ledger : XYZ Agency		1-Apr-2008 to 30-Sep-2008					
Date	Ref. No.	Opening Amount	Pending Amount	Interest			
2-Apr-2008	PUR/01	1,30,000.00 Cr	1,30,000.00 Cr	4,840.27 Cr			
1,30,000.00 Cr	2-May-2008	30-Sep-2008	151 days	9 %	4,840.27 Cr		
5-May-2008	PUR/02	88,000.00 Cr	88,000.00 Cr	1,909.48 Cr			
88,000.00 Cr	4-Jul-2008	30-Sep-2008	88 days	9 %	1,909.48 Cr		
6-Jun-2008	PUR/03	36,000.00 Cr	36,000.00 Cr	674.63 Cr			
36,000.00 Cr	16-Jul-2008	30-Sep-2008	76 days	9 %	674.63 Cr		
7-Jul-2008	PUR/04	70,000.00 Cr	70,000.00 Cr	604.11 Cr			
70,000.00 Cr	25-Aug-2008	30-Sep-2008	35 days	9 %	604.11 Cr		
		3,24,000.00 Cr	3,24,000.00 Cr	8,028.49 Cr			

Note: The Cr in the interest amount indicates that it is a liability.

The interest liability and expense can be accounted by recording a journal entry. Interest can also be recorded using debit notes and credit notes with voucher class.

4.10 BUDGETING AND BUDGETARY CONTROL

A budget is a plan prepared for the flow of funds in an organisation. It contains financial guidelines for the future plan of action for a selected period of time. A budget helps to refine goals and use funds efficiently. It provides accurate information for evaluation of financial activities, aids in decision making and provides a reference for future planning. You can modify a budget using the alter option. You can also delete a budget.

Budgets

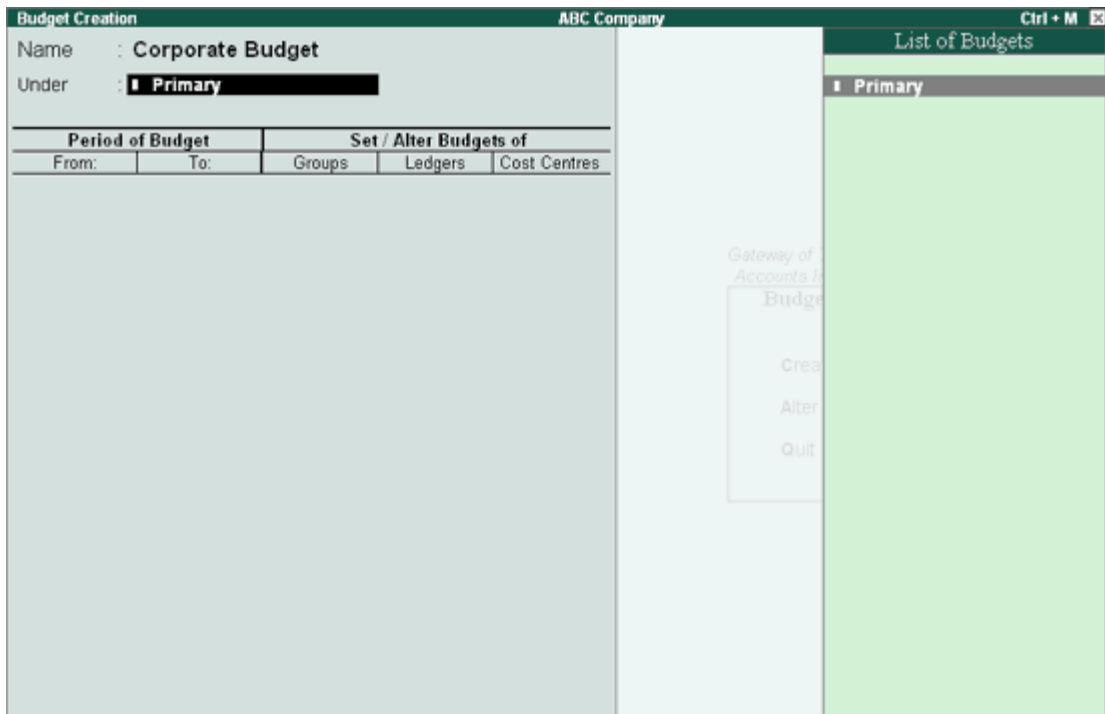
A budget is a plan prepared for the flow of funds in an organisation. It contains financial guidelines for the future plan of action for a selected period of time. A budget helps to refine goals and use funds efficiently. It provides accurate information for evaluation of financial activities, aids in decision making and provides a reference for future planning. You can modify a budget using the alter option. You can also delete a budget.

Multiple budgets can be created for specific purposes in Tally.ERP 9. Budgets for Banks, Head offices, Departmental budgets like Marketing Budgets, Finance Budgets, and so on, can also be created. The Budgeted figures in Tally.ERP 9 can be compared with Actual figures and variance report can be generated.

Create a budget

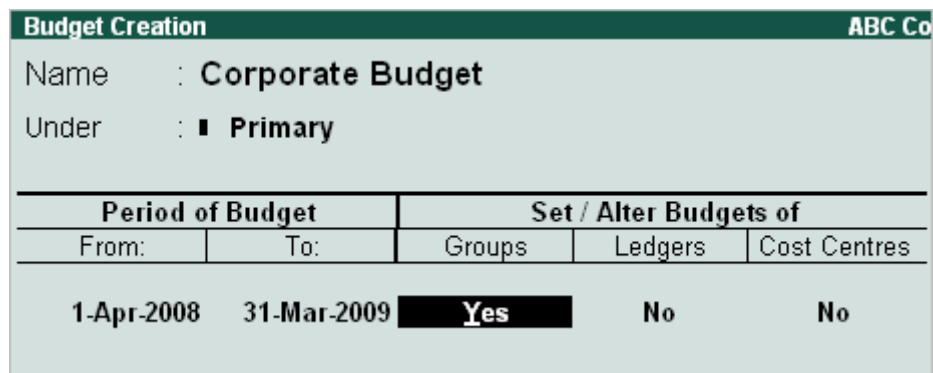
In Tally.ERP 9, you can create a budget for groups, ledger accounts, and cost centres.

1. Go to Gateway of Tally > Accounts Info. > Budgets > Create.
2. Enter a **Name** for your budget in the **Budget Creation** screen.
3. Select from the List of Budgets for Under field. You can have a hierarchical setup for budgets. In the List of Budgets, Primary is at the top of the hierarchy and you can create more primary budgets. Sub-budgets can be created under Primary budgets.
4. Enter the period of the budget in the **from** and **to** fields. The period entered can be a month, a year or any other period.
5. In **Set/Alter Budgets of**, select
 - **Groups** - To create a budget for a Group of ledger accounts.
 - **Ledgers** - To create a budget for Ledgers.
 - **Cost Centres** - To create a budget for Cost Centres.
6. Press **Ctrl+E** to accept.



Alter a Budget

1. Go to Gateway of Tally > **Accounts Info** > **Budgets** > **Alter**.
2. Modify the fields as required, I n the **Budget Alteration** screen.
3. Change the period or change budgets of Groups, Ledgers, and Cost Centres.



Note: By default, **Set/Alter Budgets** is set to **No**. Set this option to **Yes** to alter.

Delete a Budget

1. Go to Gateway of Tally > **Accounts Info** > **Budgets** > **Alter**.
2. Press **Halted** to delete.

Multiple budgets can be created for specific purposes in Tally.ERP 9. Budgets for Banks, Head offices, Departmental budgets like Marketing Budgets, Finance Budgets, and so on, can also be created. The Budgeted figures in Tally.ERP 9 can be compared with Actual figures and variance report can be generated.

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5. In **Set/Alter Budgets of**, select
 - o **Groups** - To create a budget for a Group of ledger accounts.
 - o **Ledgers** - To create a budget for Ledgers.
 - o **Cost Centres** - To create a budget for Cost Centres.
6. Press **Ctrl+E** to accept.

Period of Budget		Set / Alter Budgets of		
From:	To:	Groups	Ledgers	Cost Centres

Alter a Budget

1. Go to **Gateway of Tally > Accounts Info > Budgets > Alter.**
2. Modify the fields as required, I n the **Budget Alteration** screen.
3. Change the period or change budgets of **Groups, Ledgers, and Cost Centres.**

Period of Budget		Set / Alter Budgets of		
From:	To:	Groups	Ledgers	Cost Centres
1-Apr-2008	31-Mar-2009	Yes	No	No

Note: By default, **Set/Alter Budgets** is set to **No**. Set this option to **Yes** to alter.

Delete a Budget

1. Go to Gateway of Tally > **Accounts Info** > **Budgets** > **Alter**.
2. Press **Halted** to delete.

4.11 SCENARIO ANALYSIS AND OPTIONAL VOUCHERS

Scenario management is a management tool that enables different displays of accounts and inventory related information, by selectively including certain types of vouchers without affecting the source data. It is useful in generating provisional reports, where entries are not actually made in the main books. It is also a useful forecasting tool i.e. you can forecast the expenses using provisional Vouchers and include them in your reports. The vouchers that are used in Scenario Management are:

Creating a Scenario Set Use Reversing Journals & Optional Vouchers in

Go to Gateway of Tally > Accounts Info. > Scenario > Create

1. Give a suitable name to the scenario. In this case, it is Provisional.
2. Set Include Actuals to Yes
3. Set Exclude Forex Gains/Losses Calculations to Yes if you do not want the Unadjusted Forex Gain/Loss element to appear in the scenario
4. Set Exclude Inventory Tracking Calculations to Yes if you do not want the Sales/Purchase Bills Pending element to appear in the scenario

1. Include

From the list of vouchers, include the type of vouchers required. Notice that it picks up the Voucher Types created for this company. Provisional Vouchers and Regular vouchers that are marked Optional are permitted for selection. 6. Exclude Exclude from the list of

vouchers already included in the type of vouchers that you do not want to affect this scenario. This option is used in Alter mode and hence is discussed under Alter/Display Scenario Information. 7. Accept to create this scenario. **Using Scenarios in Statements and Reports** You can use scenarios in statements (not registers) that have the New Column button active.

1. Display the Balance Sheet.
2. Select New Column.
3. In the column details, tab down to Types of Values to Show.
4. Select the scenario named Provisional.

Balance Sheet		ABC Company		Ctrl + M	
		ABC Company		ABC Company	
		Actuals		Provisional	
		as at 5 Sep 2006		as at 1-Sep-2006	
Sources of Funds :					
Capital Account					
Loans (Liability)					
Bank OD A/c					
Secured Loans					
Current Liabilities		8,34,268.07		4,12,238.07	
Duties & Taxes	(100,911.00)			(100,911.00)	
Provisions	(118,250.00)			(151,500.00)	
Sundry Creditors	9,13,450.00			5,24,650.00	
Profit & Loss A/c		6,39,934.07		67,263.33	
Opening Balance					
Current Period	6,39,934.07			67,263.33	
Total		14,74,222.14		4,69,501.40	
Application of Funds :					
Fixed Assets					
Depreciation		4,81,750.00		(151,500.00)	
Plant & Machinery	(118,250.00)			(151,500.00)	
	5,00,000.00				
Current Assets		16,39,260.47		11,67,789.73	
Closing Stock	6,02,929.07			3,00,273.33	
Sundry Debtors	10,36,331.40			8,20,166.40	
					4 more ...

The Balance sheet displays as shown with two columns for the same date. Note the Provision for Depreciation figures in both the columns. The actual column shows –18250 while the Provisional column shows –33250. This is on account of the reversing journal entry in the Scenario. To view, go through the Exceptional Reports Display Menu. Use the same procedure to create another scenario for Sales Forecasts.

1. Create a new Scenario and call it Sales Forecasts.
2. Include Sales Vouchers Optional Only.
3. Create 12 Sales Vouchers, one in each month. Remember to mark them Optional.
4. View the Sales Accounts by drilling-down the Profit & Loss A/c.
5. Bring up New Columns and limit each column date range to the following month.

How to Create and Use of Scenario in Tally.ERP 9?

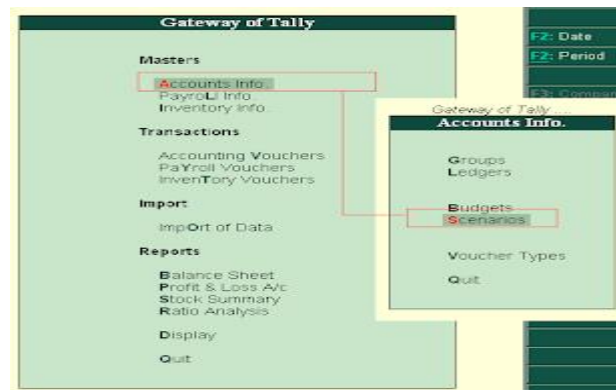


Scenario analysis is a complex business process related to futures studies. So, we can create and Use of Scenario in Tally.ERP 9. First of all , we learn steps for creating scenario in Tally.ERP .

For Creating Scenario , you have to write yes the option of " Use Reversing Journals & Optional Vouchers " in accounting feature of Tally.ERP 9.

After this you will see a new button in Account info. with the name of Scenario.

Gate way of Tally >> Account Info. >> Scenarios



Scenario Creation

Name : **Provision**

Include Actuals ? **Yes**

Include :

- ▮ End of List

Exclude :

- ▮ End of List

Accept ?

Yes or No

Click Scenarios and then click on create. After this you will see the form of scenarios creation. Give a suitable name to the scenario. In this case, it is Provisional, write provisional and then Set Include Actuals to Yes. Then accept this Scenario creation form.

Now after creating Scenarios we will learn its use: -

Pass the Voucher entry of Transferring Depreciation to Provision for Depreciation account in Reversing Journal

Steps

Gateway of Tally >> Accounting Voucher >> Click Right side button F 10 Rev Janel

In reversing journal create ledger of Depreciation (Under indirect expenses) by Alt + C and Debit with amount 20000 and then create Provision for depreciation account (Under provision) by Alt + C and credit with 20000

After this accept it and then see it in Exceptional Report

Go to Gateway of Tally > Display > Exception Reports > Reversing Journals

You can use scenarios in statements that have the New Column button active. When you click Display the Balance Sheet and Select New Column. In the column details, tab down to Types of Values to Show. Select the scenario named Provisional. After this balance sheet will show actual and provisional report.

4.12 ADVANCED INVENTORY CONTROL AND MANAGEMENT

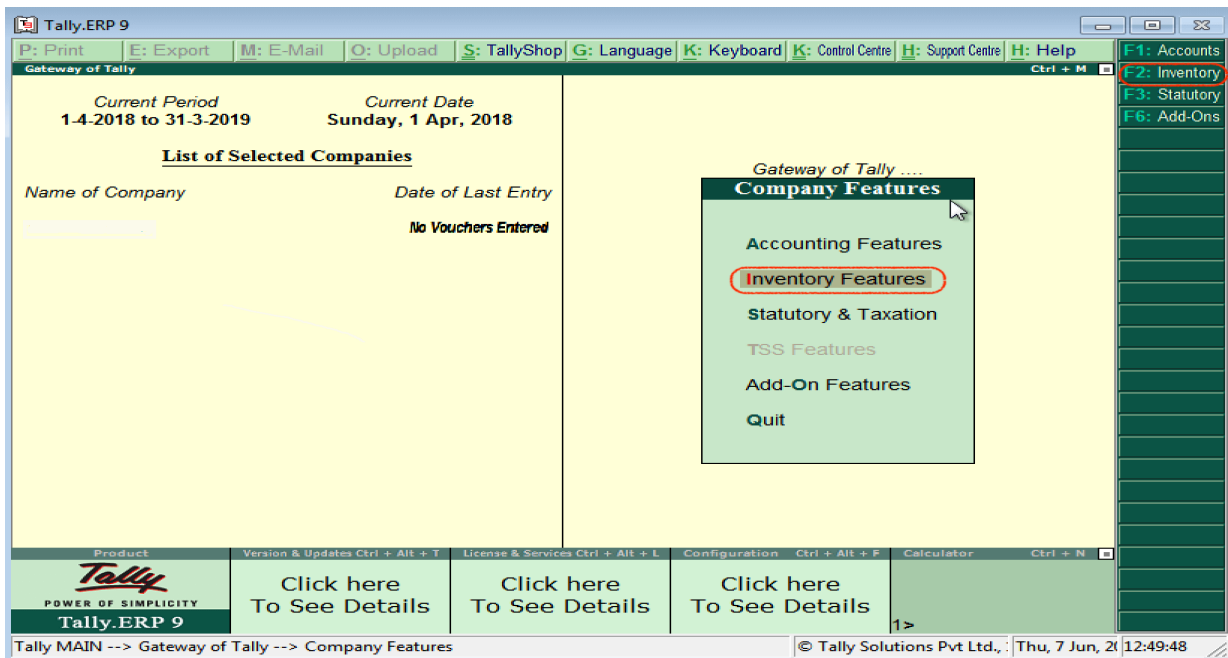
In Tally ERP 9, Inventory features consist of configurations related to inventory transactions and reports.

Inventory features are subdivided into 7 functions, which are as follows:

1. General
2. Storage and Classification
3. Order processing
4. Invoicing
5. Purchase Management
6. Sales Management
7. Other features

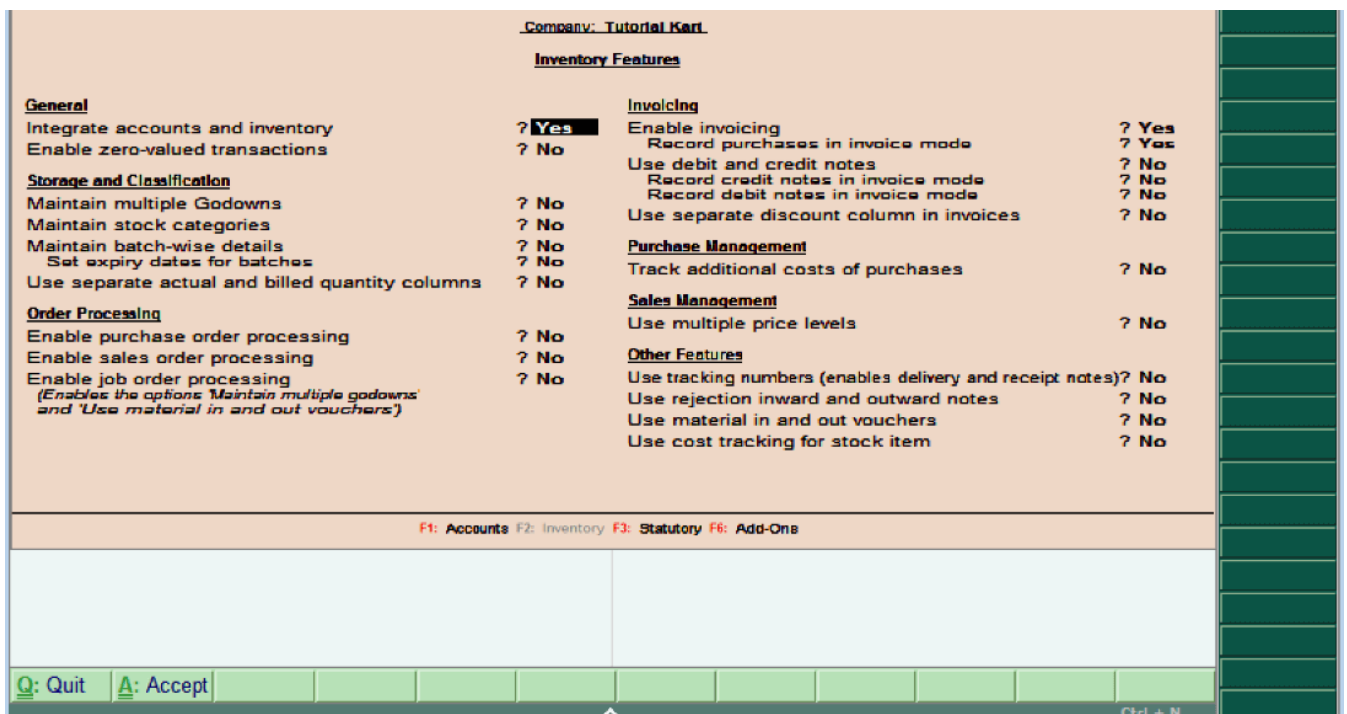
How to start Inventory features?

- Path: Tally Main -> Gateway of Tally -> F11: Features -> Company Features -> Inventory Features or click on F2: Inventory.



How to enable Inventory features?

We can enable or disable the options for day to day business transactions using the inventory features. After executing the inventory features, the following screen will display:



Update the following details on Company Alteration Screen:

General

- **Integrate accounts and inventory:** If we want to include stock or inventory balances in inventory records, then choose this option as Yes.

- **Enable Zero-value transactions:** If we want to allow the zero-value transactions, then choose this option as Yes.

Storage and classification

- **Maintain multiple go downs:** If we have more than one storage location and go downs for storing the materials, then enable this option.
- **Maintain stock categories:** If we want to define or maintain stock categories, then enable this option.
- **Maintain batch-wise details:** If we want to maintain batch-wise details for stock items, then enable this option.
- **Set expiry dates for batches:** If we want to maintain the expiry dates for batches, then choose this option.
- Use separate actual and billed quantity columns.

Order Processing

- **Enable sales order processing:** If we want to define sales orders, then enable this option.
- **Enable job order processing:** If we want to define the job orders, then enable this option.
- **Enable purchase order processing:** If we want to define job orders, then enable this option.

Invoicing

- Enable Invoicing:
- Record purchases in invoice mode
- Use separate discount columns in invoice
- Use credit or debit notes:
- Record debit notes in invoice mode
- Record credit notes in invoice mode

Purchase Management

- Track additional costs of purchases

Sales management

- Use multiple price levels

Other features

- Use material in and out vouchers
- Use rejection inwards and outward notes
- Use tracking numbers

- Use cost tracking for stock item

After enabled or disabled the features, press **Ctrl+E** or choose **A: Accept** to save the details.

4.13 UNIT END QUESTIONS

A. Descriptive Questions

Short Answer Questions

1. Define Pay-roll accounting.
2. Explain Bank reconciliation.
3. Define multiple currencies.
4. How to calculate interest calculations?
5. Describe voucher class and cost centre class.

Long Answer Questions

1. Explain Accounting Vouchers and inventory vouchers.
2. Explain Pay-roll accounting.
3. Describe Budgeting and Budgetary control.
4. Describe advanced Applications of Tally ERP-9.
5. Describe scenario analysis and optional vouchers.
6. Explain advanced inventory control and Management.

B . Multiple Choice Questions

1. Which costs are established through analysis of past data?
 - a Engineered costs
 - b Engineered costs
 - c Relevant costs
 - d Policy costs
2. Which is the smallest segment of activity or area for which costs are accumulated?
 - a Cost centre
 - b Loss centre
 - c Responsibility centre
 - d Profit centre

3. Which have the responsibility of generating and maximizing profit?
 - a Profit centres
 - b Investment centre
 - c Cost centres
 - d Process cost centre
4. Which is called A gas production shop which produces and supplies gas
 - a Service cost centre
 - b Profit centre
 - c Production cost centre
 - d Cost centre
5. What is the branch of cost accounting?
 - a Management Accounting
 - b Tax Accounting
 - c Financial Accounting
 - d None of these

Answers: 1. a, 2. a, 3. a, 4. a, 5.a

4.14 REFERENCES

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Web Resources:

- Tally Solutions. (n.d.). <https://www.tallysolutions.com>
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UNIT- 5 INVENTORY CONTROL

STRUCTURE

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Maintaining inventory of some firms
- 5.3 Trial balance
- 5.4 Profit and loss account
- 5.5 Balance sheet
- 5.6 Bank reconciliation statement
- 5.7 Advance accounting in tally
- 5.8 Import/export data with excel
- 5.9 Security control in tally
- 5.10 Unit End Questions
- 5.11 References

5.0 OBJECTIVE

After completing this Students will be able to

- Define inventory control
- Understand trial balance
- Define bank reconciliation statement
- Explain import/export data with excel

5.1 INTRODUCTION

Inventory control, also called stock control, is the process of ensuring the right amount of supply is available in an organization. With the appropriate internal and production controls, the practice ensures the company can meet customer demand and delivers financial elasticity. Successful inventory control requires data from purchases, reorders, shipping, warehousing, storage, receiving, customer satisfaction, loss prevention and turnover. According to the

2017 “State of Small Business Report”, almost half of small businesses do not track their inventory, even manually.

Inventory control enables the maximum amount of profit from the least amount of investment in stock without affecting customer satisfaction. Done right, it allows companies to assess their current state concerning assets, account balances and financial reports. Inventory control can help avoid problems, such as out-of-stock (stock out) events. For example, Walmart estimated it missed out on \$3 billion worth of sales in 2014 because its inadequate inventory control procedures led to stock outs.

An integral part of inventory control is supply chain management (SCM), which manages the flow of raw materials, goods and services to the point where the company or customers consume the goods. Warehouse management also squarely falls into the arena of stock control. This process includes integrating product coding, reorder points and reports, all product details, inventory lists and counts and methods for selling or storing. Warehouse management then synchronizes sales and purchases to the stock on hand.

Inventory management is a higher-level term that encompasses the complete process of procuring, storing, and making a profit from your merchandise or services. While inventory control and inventory management may seem interchangeable, they are not. Inventory control regulates what is already in the warehouse. Inventory management is broader and regulates everything from what is in the warehouse to how a business gets the product there and the item’s final destination.

Inventory control practices and policies should apply to more than just finished and raw goods. The following graphic shows all the things a business might manage using these practices.

The Reach of Inventory Control: Beyond Finished and Raw Goods

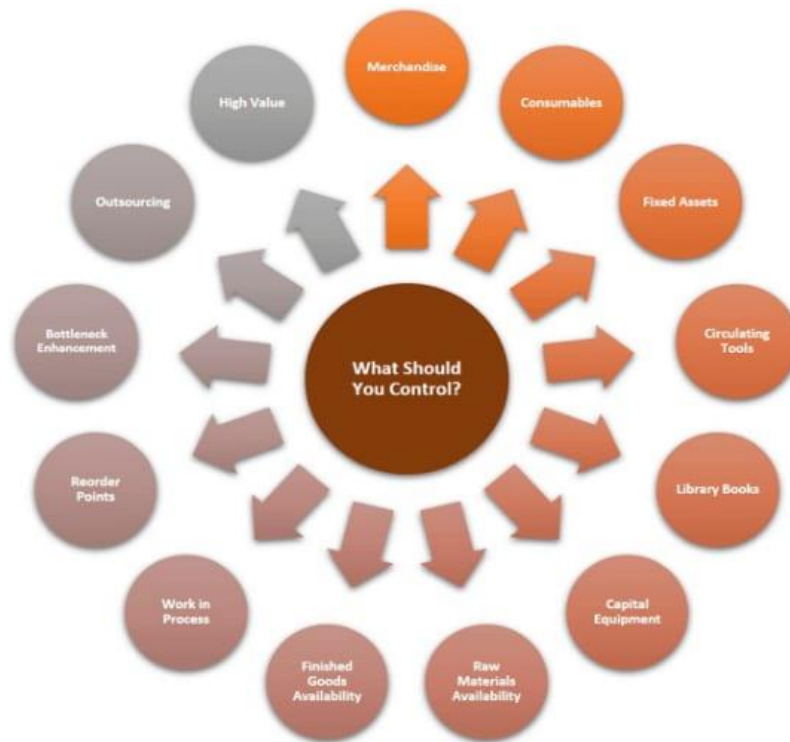


Fig :5.1 What should you control

Why Is Inventory Control Important?

Inventory is one of the biggest costs of capital of any product-based business. If you look at the balance sheet of this type of company, you're likely to find that inventory makes up a large portion of current assets and uses up a lot of working capital.

Inventory control helps avoid the many costs related with buying too much inventory and the strains of going without the needed inventory. While some companies using just-in-time ordering may carry extremely small inventories, nearly any business requires some form of inventory, which is best managed through inventory control systems.

If a company can lower inventory, it may find new funds available for expansion or profits. If a company needs to carry more inventory and tight inventory control processes bring inventory levels up, the business could find higher sales, and again higher profits. Using inventory control to optimize your warehouse, stock room, supply room, or storefront is a sure way to cut costs and better manage any kind of product.

How Inventory Control Can Improve Your Business

Implementing proper inventory control procedures can help ensure a business is running at optimal financial levels and that products meet customers' needs and expectations. According to the 2015 "Global State of Multichannel Customer Service Report", 62% of customers have stopped doing business with a brand whose customer service was poor. Of those customer service complaints, frustration over out-of-stock or backordered items is high on the list. In

fact, research about convenience stores shows that out-of-stocks could cause a store to lose one in every 100 customers completely. Additionally, 55% of shoppers in any store would not purchase an alternate item when their regular product is out-of-stock. Other areas where businesses incur expenses or lose sales that inventory control practices and methods could address include:

- Spoilage
- Dead stock
- Excess storage costs
- Cost-efficiency
- Decreased sales
- Losing loyal customers
- Excess stock
- Losing track of inventory
- Losing goods in the warehouse

According to David Pyke, co-author of *Inventory and Production Management in Supply Chains*, now out in its fourth edition, and professor of operations and supply chain management at the University of San Diego, “owners of small and emerging businesses would be stunned to see how much help they can get and money they can save by wisely managing their inventory. Many small businesses are not rolling in cash, and much of their funding is tied up in their inventory. Good practices balance customer demand and management of inventory in the smartest possible ways.”

5.2 MAINTAINING INVENTORY OF SOME FIRM

Fully exploring the intricacies of inventory control procedures and theory may be a lot for some businesses. The tips below can help you identify what you need to do before implementing a new inventory control process:

- **A Good Inventory Control Plan Has Several Key Essentials:** Purchasing a software system that addresses your warehouse stock is not enough. A good inventory control plan addresses your orders from production or purchasing to selling the items and ultimately removing them from your books. An inventory control program should

account for things like reducing wasted warehouse space, ordering supplies using a forecasting formula and setting up vendor relationships.

- **Plan First, Then Execute:** Any manager worth their salt will tell you that inventory management and control are continuous and do not live just at the warehouse level. You should continually update your plan, then put it into practice. You should be tracking metrics and updating your forecasts for future months weekly and making changes to your stock management planned as needed. You may also be required to change your inventory management plan based on world events.
- **Ensure You Always Have Critical Stock:** Whether it's machine parts or an item that is the backbone of sales, determine which stock is critical, and ensure those items never go out of stock. For this, you should have an inventory control process in place.
- **Carefully Review All Shipments:** A key point of inventory loss occurs when your business initially receives an item. Closely review packing slips and products for any damage.
- **Appoint the Right Inventory Management Team Members:** Staff buy-in is crucial, but make sure those assigned to own the inventory control processes are the right people for the job. Math should be among their strengths, and they should have time to perform the task correctly. Ideally, your inventory management team includes people that touch each stage of the process, from warehouse managers to procurement specialists to pickers on the floor. Smaller businesses should consider including all managers and some front-line staff representation.
- **Group Like Items:** As much as possible, group like inventory in the same areas. Further, unique products should have a single storage location.
- **Find the Balance Between Inventory Costs and the Benefits of Having Stock on Hand:** Developing a truly effective inventory control system relies on finding that right balance between the cost of making and storing product and avoiding stock outs. Your business's money is tied up in that stock. Fortunately, getting to know your business enough will enable you to choose the right methods and forecasting techniques. You are looking to determine the total cost of your stock, including factors like warehousing costs and perishables, and weighing that against the demand and the cost of stock outs to give you the right balance
- **Look at Other High-Level Plans:** If you do not have positive control over your inventory, you probably need to address other areas of your business. Do you have an

adequate quality management plan? Have you looked at your facility management plan lately?

- **Choose a Scalable System:** It is tempting for small businesses to order software systems that are one-size-fits-all or, conversely, free or low-cost. Cloud-based systems can grow with a business and provide the analytics you need to continue your business's growth.
- **Your Software Is Only as Good as Your Processes:** Software cannot solve bad processes, just automate them.
- **Have a Backup Plan:** No matter how high tech the software or well thought out the process, ensure that your business has a backup plan for power outages and theft. Cloud computing is always a better option than a local server.

Actionable Advice from an Inventory Management Expert



Fig :5.2

Inventory control expert Dr. Pyke advises, “It’s been my observation that the business world has a weak understanding of inventory management and control. They are trained shallowly, and sometimes they apply only shallow experience to their practices. Sometimes, that works out great. In my 30 years of experience, however, I have seen that a lot of money can be saved by training and managing inventory control in-depth.”

“Like Toyota’s Kanban system for optimizing setups, there are obviously areas that we can make flow better. Companies should be proactive in their sequencing system, rather than reactive—all while making that balance. If you look at the underlying mechanisms during planning, you can go from there. The system you choose can vary dramatically depending on the situation and can make all the difference in your actual performance.”

Inventory control techniques to consider

Inventory control is a complex business. There's no one way to get it right, and different inventory control techniques will suit different businesses and situations. Here are just a few popular techniques and aspects of inventory control to consider:

JIT (Just in Time)

This technique, pioneered by the Toyota auto company in the 1970s, sees businesses holding the least amount of inventory possible. Rather than buying in advance and keeping the products on your shelves, you only purchase inventory when it's needed—and the shipment arrives “just in time” to meet demand.

This enables you to operate smaller warehouses (reducing overheads and staff wages), spend less on inventory, and avoid the problems associated with excess stock. However, you also run the risk of a stock out if there are any delays, as you won't have any safety stock as a backup.

Bulk shipments

Buying and shipping goods in bulk is almost always cheaper, whether you're ordering them from a supplier or sending them out to your network of warehouses, distribution centres, or stores. When buying products in bulk, you need to be confident they'll sell, or you'll end up with excess stock.

This method is best for items with stable demand and long shelf-lives. It means investing more cash upfront, so check that this is offset by the cheaper prices. Bulk shipments may also cost more in terms of container space, but you'll have fewer shipments to send out.

Drop shipping

Drop shipping is a way of saving money by cutting out the middleman. Instead of receiving goods from a supplier or manufacturer and storing them at your warehouse, you work with a partner (the drop shipper) who delivers orders directly to your customers.

Your business is responsible for processing customer orders and passing the details to the drop shipper, but you never actually see or handle the products you're selling. This reduces your overheads, but it means you're not in control of quality or delivery speed. And customers will still complain to you if there's a problem!

Consignment

Consignment is when you place an order with a supplier and they deliver the goods to you, but you don't actually pay them until the goods have been sold. In this method, the supplier is referred to as the “consignor” and your business is called the “consignee”.

If you end up not selling the items, you can send them back to the consignor without being charged. It's a good way to experiment with new product lines when you're not sure how well they'll sell, without tying up cash in a large upfront payment. It's the consignor who bears most of the risk.

Cross-docking

This is another technique that reduces the amount of inventory you hold, or eliminates the need for storage altogether. At a dedicated cross-docking facility, goods arrive from a supplier and are inspected, sorted, and prepared for shipment. They are then loaded on to delivery vehicles and sent out immediately.

If you operate your business entirely on a cross-docking model, you'll only need a small premise to carry out receiving and reloading. Or you could use this technique only for certain products. For example, items promised for same-day delivery or those with a very short shelf-life.

Cycle counting

Most retailers hate doing full stock takes. They're tedious, they're time-consuming, and they divert staff away from other tasks. You might even have to close your physical store for the day. Cycle counting, where you regularly count small amounts of inventory, is much more convenient.

By checking just one type of product at a time, you can verify that the actual stock matches the numbers recorded in your inventory management software. If it doesn't, you'll know there's a problem and you can perform a wider audit. Cycle counting doesn't mean you never have to do a full stock take—you can just do it less frequently.

5.3 TRAIL BALANCE

Under double entry system, every debit has equal and corresponding credit. The total of debit balance column must tally with the total of credit balance column. Trial balance is a statement that is periodically prepared showing the debit balances in one column and credit balances in another column. These balances are extracted from ledger accounts on a particular date. Thus, a trial balance is a summary of all the ledger account balances outstanding on a particular date.

The main objective of preparing a trial balance is to check the arithmetical accuracy of accounting entries posted in the ledger. Tallying of the columns ensures arithmetical

accuracy but not accounting accuracy. Trial balance provides a basis for preparation of final accounts like profit and loss account and balance sheet.

PREPARATION OF TRIAL BALANCE

In preparation of trial balance, we only balance the various ledger accounts of the organisation and take the debit balances in the debit amount column and credit balances in the credit amount column. Cash and bank balances are taken from the cash book. When, only the list of balances is given without mentioning the nature (i.e., debit balance or credit balance) of each balance, then first determine the nature of the balance by applying the rules of debit and credit. For example: all expenses accounts will show debit balance and income accounts will show credit balance; and assets will give debit balance whereas liabilities will give credit balance. The capital account will show credit balance and drawings account will show debit balance.

ILLUSTRATION: 1

Prepare a trial balance with the following information as on March 31, 2020:

Name of the Account	Balances (Rs.)
Capital	2,00,000
Cash	1,80,000
Creditors	1,00,000
Sales	3,00,000
Stock	70,000
Debtors	3,00,000
Bank Loan	1,50,000
Purchases	2,00,000

Solution:

Trial Balance as on March 31, 2020

Account Name	Debit Balance (Rs.)	Credit Balance (Rs.)
Capital		2,00,000
Creditors		1,00,000
Bank Loan		1,50,000
Sales		3,00,000
Stock	70,000	
Purchases	2,00,000	
Debtors	3,00,000	
Cash	1,80,000	
Total	7,50,000	7,50,000

ILLUSTRATION 2

Prepare journal, ledger and the trial balance of Suresh Sadhu on 31 Dec 2020 taking into account the following transactions during the month.

Dec 1 Mr. Sadhu started business with cash Rs. 50,000. He purchased stationery for Rs. 3,000
Dec 2 He purchased goods for Rs. 21,000

Dec 3 Paid for postage Rs. 100

Dec 5 Sold goods for Rs 7,500 and received a cheque for the same
Dec 6 Purchase furniture from Narmada Furniture's for Rs. 5,000
Dec 11 Sold goods to Mahindra for Rs. 10,000

Dec 12 Received cheque from Mahindra for Rs. 10,000
Dec 14 Paid the dues of Narmada Furniture's by cheque.
Dec 16 Sold good to Ramesh and Co Rs. 5,000

Dec 20 Goods purchased from Seth & Co Rs. 7,000
Dec 23 Purchased goods for Rs. 2,250

Dec 24 Goods sold to Prakash for Rs. 3,500

Dec 26 Cash received from Ramesh & Co Rs. 2,500

Dec 28 Fully settled the account of Seth & Co by a cheque for Rs. 6,850
Dec 31 Salaries paid Rs. 12,500.

Rent due for the month is Rs. 3,000

Solution:

JOURNAL

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
2020				
Dec 1	Cash A/c Dr.		50,000	
	To Capital A/c (Being cash introduced by Suresh for commencing business)			50,000
Dec 1	Stationery A/c Dr. To Cash A/c (Being stationery purchased)		3,000	3,000
Dec 2	Purchase A/c Dr. To Cash A/c (Being goods purchased)		21,000	21,000
Dec 3	Postage Stamps A/c Dr. To Cash A/c (Being postage stamps purchased)		100	100
Dec 5	Bank A/c Dr. To Sales A/c (Being cheese received against sales)		7,500	7,500
Dec 6	Furniture A/c Dr. To Narmada Furniture A/c (Being furniture purchased on credit)		5,000	5,000
Dec 11	Mahindra A/c Dr. To Sales A/c (Being sales made to Mahindra)		10,000	10,000
Dec 12	Bank A/c Dr. To Mahindra A/c (Being cheese received from Mahindra)		10,000	10,000
Dec 14	Narmada Furniture A/c Dr. To Bank A/c (Being cheese paid to Narmada Furniture)		5,000	5,000

Dec 16	Ramesh & Co. A/c To Sales A/c (Being sales made to Ramesh)	Dr.	5,000	5,000
Dec 20	Purchase A/c To Sethi & Co. A/c (Being goods purchased on credit from Sethi & Co)	Dr.	7,000	7,000
Dec 23	Purchase A/c To Cash A/c (Being goods purchased on cash)	Dr.	2,250	2,250
Dec 24	Prakash A/c To Sales A/c (Being credit sales made to Prakash)	Dr.	3,500	3,500
Dec 26	Cash A/c To Ramesh & Co A/c (Being cash received from Ramesh)	Dr.	2,500	2,500
Dec 28	Sethi & Co. A/c To Bank A/c To Discount A/c (Being final settlement done)	Dr.	7000	6,850 150
Dec 31	Salaries A/c To Cash A/c (Being salary paid)	Dr.	12,500	12,500
Dec 31	Rent A/c To Rent outstanding A/c (Being rent for the month outstanding)	Dr.	3,000	3,000

LEDGER

Dr. Cash Accounts.

Dr. Capital Account Cr.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec 31	To Balance c/d		50,000	Dec 1	By Cash A/c		50,000
			50,000				50,000

Dr. Stationery Account Cr.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec 1	To Cash A/c		3,000	Dec 31	By Balance c/d		3,000
			3,000				3,000

Dr. Purchase Account Cr.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec 2	To Cash A/c to		21,000	Dec 31	By Balance c/d		30,250
Dec20	Sethi & Co. To		7,000				
Dec23	cash A/c		2,250				
			30,250				30,250

Dr. Sales Account Cr.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec 31	To Balance c/d		26,000	Dec 5	By Bank A/c		7,500
				Dec 11	By Mahindra A/c		10,000
				Dec 16	By Ramesh & Co.		5,000
				Dec 24	A/c		3,500
			26,000		By Prakash A/c		26,000

Dr. Postage stamp Account Cr.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec 3	To Cash A/c		100	Dec 31	By Balance c/d		100
			100				100

Dr. Furniture Accounts.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec 6	To Narmada Furniture A/c		5,000	Dec 31	By Balance c/d		5,000
			5,000				5,000

Dr. Narmada Furniture Account Cr.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec 14	To Bank A/c		5,000	Dec 6	By Furniture A/c		5,000
			5,000				5,000

Dr. Mahindra Account Cr.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec 11	To Sales A/c		10,000	Dec 12	By Bank A/c		10,000
			10,000				10,000

			(Rs.)				(Rs.)
Dec 31	To Cash A/c		12,500	Dec 31	By Balance c/d		12,500
			12,500				12,500

Dr. Rent Account Cr.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec31	To Outstanding Rent A/c		3,000	Dec 31	By Balance c/d		3,000
			3,000				3,000

Dr. Outstanding rent Account Cr.

Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
Dec 31	To Balance c/d		3,000	Dec 31	By Rent A/c		3,000
			3,000				3,000

Trial Balance

Account Name	Debit Balance (Rs.)	Credit Balance (Rs.)
Cash A/c	13,650	
Capital A/c		50,000
Stationery A/c	3,000	
Purchase A/c	30,250	
Sales A/c		26,000
Bank A/c	5,650	
Postage Stamp A/c	100	
Furniture A/c	5,000	
Ramesh & Co. A/c	2,500	
Prakash A/c	3,500	
Discount A/c		150
Salaries A/c	12,500	

Rent A/c	3,000	
Outstanding Rent A/c		3,000
	79,150	79,150

5.4 PROFIT AND LOSS ACCOUNT

A Profit and Loss Account, also referred to as a Profit and Loss Statement plays a crucial role in the Financial Statements of any given entity for any business. Irrespective of the profit-motive, a non-profit organisation also prepare an Income and Expenditure Account to *evaluate its performance*. It is a Statement for a given period. It shows the revenue of the entity and the costs incurred to earn that revenue, ultimately revealing whether the business is in Profit or Loss.

What are the types of Profit and Loss Account?

In accounting parlance, the Profit and Loss a/c is a Nominal Account. Every Account is prepared using the double effect in 'Debit' and 'Credit.' That means one of the accounts is debited, and the other is credited considering the golden rules of accounting. Now let's first understand the basics of accounting before proceeding.

Accounts are of three types as below based on their representation. Every account type has its own set of accounting rules described as follows:

Sr. No.	Type of account	Function	Golden Rules of Accounting
1	Personal Account	This Account is for people. They may be debtors, creditors, or any other person to whom money is due or receivable. For Example, Ram A/c	Debit: The receiver. Credit: The giver
2	Real Account	This account caters to objects. For Example, Cash A/c, Bank A/c, Furniture A/c.	Debit: What comes in. Credit: What goes out.
3	Nominal Account	These accounts represent the revenue or expenses. For Example, Sales A/c, Loss on sale	Debit: The expenses and Losses. Credit: The Incomes and Gains.

	A/c, Bad Debt A/c.	
--	--------------------	--

According to the above rules, the Statement of Profit and Loss is prepared based on debiting the Expenses and Losses and Crediting the Incomes and Gains.

System of Accounting

Accounting revolves around two systems of accounting. One is the Cash System, and the other is the Accrual System.

- **Cash System of Accounting:**

Under this system, transactions are recorded as and when cash flow occurs. That means an expense is booked only when cash is paid, and an income is booked only when cash is received. Cash Flow matters to record the transactions, and accordingly, Profit and Loss for a given period are calculated. This may defer figures showing incorrect information in the financials.

- **Accrual System of Accounting**

Most of the entities, especially Public and Private Companies, entities performing Tax Audits, Entities to comply with GAAP and IFRS are required to follow the Accrual System of accounting. Under this system, transactions are recorded as and when they occur, irrespective of the timing of the cash flow. For example, if an invoice is issued, the transaction is recorded, even if a sale is made on a credit basis. This attributes the income and expenditure to given periods and avoids deferment of transactions. The Accrual System of accounting is the most widely used in current scenarios.

Components of Profit and Loss Account

The P and L account are based on two components:

- Trading Account
- Profit & Loss Account Statement

Sr. No.	Item	Explanation
A	Trading Account	
1.	Debit Side	
a.	Opening Stock	This is the opening balance of the inventories lying with the entity at the start of the given period. The figure can be taken from the Balance Sheet of the earlier period where it is shown as

		Closing Stock. This may consist of the Raw Materials, Consumable stocks, Work-in-progress stock, and Finished Goods stock.
b.	Purchases	It consists of Purchases made by the entity during the given period for selling purposes. These are the purchases of goods intended for sale during the period or shortly but not assets purchased for investment purposes.
c.	Purchase Return	Purchase returns are the goods purchased but returned due to any damages or defects or rejected goods. Such are shown as a deduction from purchases in the Trading Account.
d.	Freight or Transport Expenses	Any freight or Transport Expenses directly attributable to the Inventory are shown as a debit in the Profit and Loss account.
2.	Credit Side	
a.	Sales	Sales consist of the revenue earned through the sale of goods or services in the ordinary course of business. Any sale of assets or scrap that is not a regular trading activity is not considered here.
b.	Sales Return	These are the goods that are rejected after the sale by our customers. They are shown as a deduction from Sales.
c.	Closing Stock	This is the figure depicting the closing value of the inventories lying in hand at the end of the period. It is calculated as Opening Stock Purchases – Cost of Goods Sold.
B	Profit and Loss Account	
1.	Debit Side	
a.	Salaries and Wages	These are the employment expenses paid to workers and administrative staff.
b.	Marketing Expenses	Expenses relating to advertisement and Sales promotion are considered.
c.	Depreciation Expenses	These are non-cash expenses showing the amount of wear and tear of assets attributable to its revenue capacity. These tend to reduce the value of assets.

d.	Outstanding expenses	Any outstanding expenses that are incurred but yet to be paid are shown as an expense of the period.
e.	Rents and Royalties	The rents paid for properties and equipment used for business and Royalties paid for patents and trademarks are also considered a cost to the company.
f.	Bad Debts	Any amounts earlier shown as receivable and later couldn't be recovered are written off by debiting the Profit and Loss a/c.
h.	Other Operating Expenses	Along with the above expenses, other expenses like Repairs and Maintenance, Property Taxes, Interest on Loans and Debt Funds, Travel Expenses, Legal charges, Bank Charges.
g.	Non-Operating expenses	These are one-time expenses incurred for the business. For Example, Preliminary Expenses, Loss on Sale of Assets, Loss on Fire or Theft, Loss of Foreign Exchange, etc.
2.	Credit Side	
a.	Operating Income	Income earned from core business activities is said to be operating income.
b.	Non-Operating Income	One-time Incomes from Investments like Dividend, Interest, gains from the sale of assets, gains on Foreign Exchange.

How is the Profit and Loss account prepared?

The traditional system of book-keeping consisted of some steps to prepare the financial statements:

1. **Journal:** A journal entry was recorded to represent the transaction showing the Debit and the Credit accounts and the amount involved and a short narration to describe the transaction. Each entry was numbered manually for reference called a Folio number which was used to track the transaction.
2. **Ledger:** A ledger is a T-shaped account consisting of the Debit side on the left half and the Credit side on the Right half. Entries in the journal are posted in the ledger accounts. Each separate account has a separate ledger. The ledgers are closed at the end of the given period. The Real and Personal Account Balances are reflected in the Balance Sheet, and the Nominal Accounts are transferred to the Profit and Loss account.

3. **Trial Balance:** A Trial balance is a statement showing all the debit and credit balances as a list to ensure that each entry has been recorded correctly. Here, the sum of the debits must match the credits.
4. **Balance Sheets:** All the Personal and Real Accounts aren't closed, and their balances are shown in the Balance Sheet. Unlike, Profit and Loss Account, a Balance Sheet is prepared as on a given date. Also, the balance of the Profit & Loss Account is transferred to the Balance Sheet. A Balance Sheet consists of Assets presented on the right side and Liabilities presented on the left.

All nominal Accounts are closed and transferred to the Profit and Loss Account. They do not consist of any carrying balances to be carried forward to the next period. These are settled by transferring balances to the P & L Account. The net Balances show the profits or losses.

In ERP systems of *book-keeping* and *accounting*, only journal entries are required to be recorded. The rest of the entries are done automatically by the system. All reports are generated by the system in the most efficient manner.

Regarding the structure of the P&L Account, the credits represent the income, and the debits represent the expenses. Where there is a credit balance, it shows a profit. That means, Income over Expenditure. Where there is a debit balance, it offers a loss. That means, Expenditure over Income.

Refer to two Sample Profit and Loss Statements below to know the format and structure.

A]

ABC Company					
Prop.: XYZ					
PAN: CLFOT5412B					
Address: 12/8D, Secunderabad, Telangana, 500060					
Profit and Loss Account for the year ended 31/03/2020					
AY 2020-21					
Particulars		Amount (in Rs)	Particulars		Amount (in Rs)

To Opening Stock		50,000	By Sales		50,200
To Purchases		134,540	By Service Charges		424,010
To Direct Costs		4,800	By Closing Stock		52,973
To Transport		550	By Discount Received		740
To Gross Profit c/d		338,033			
		527,923			527,923
To Bank Charges		240	By Gross Profit b/d		338,033
To Petrol Charges		6,580	By Dividend Income		1,200
To Rent Paid		66,000			
To Depreciation		9,835			
To Repairs & Maintenance		4,000			
To Telephone Charges		1,600			
To Electricity Charges		3,600			
To Miscellaneous Charges		3,900			
To Net Profit c/d		243,478			

		388,033			388,033
As per information on a given date,					
			ABC Company		
			XYZ		
Date: 10/01/2021			(Proprietor)		
Place: Secunderabad					

B]

DEF Technologies Limited		
Statement of Profit and Loss for the year ended 31st March 2020.		
	(000)	
	2019-2020	2018-2019
Sales and revenues:		
Revenues from Operating Activities	9,624	8,520
Total sales and revenues	9,624	8,520
Operating costs:		
Cost of goods sold	4,126	3,512
Selling and administrative expenses	612	452
Research and development expenses	926	984

Interest expense of Financial Products	250	120
Other operating (income) expenses	154	98
Total operating costs	6,068	5,166
Operating profit	3,556	3,354
Interest expense excluding Financial Products	342	465
Other income (expense)	287	169
Consolidated profit before taxes	4,185	3,988
Provision for income taxes	1,256	1,196
Profit attributable to common shareholders	2,930	2,792
Profit per common share	4.8825	4.6526667

These statements are presented along with Notes to Accounts to explain every line of Item in detail or to add any relevant explanations.

Objectives of PL account

The primary purpose of a Profit and Loss account is to check whether the business earns a profit or a loss for a given period. It is a crucial part of any financial statement; the figures depicted therein are used for calculating various ratios for analysis purposes. Investors, other stakeholders, etc., require this statement to consider their decision-making. *Many* reports for the management's analytical study are prepared by taking this account as the base. Future strategies are framed based on the performance of the entity that is revealed through this statement.

Advantages and Disadvantages of Income Statement

- **Advantages:**
- Assists in easy comparison of financial statements to make quick decisions.
- It helps to track the cost centres and expenses related to the cost centres.
- The accrual system of accounting helps relate data to specific periods and keep track of financial transactions periodically.
- It makes it easy to extract data for various tax and statutory compliances and audit purposes.
- Various accounting analyses like the operating leverage, Financial leverage, operating margins, Interest coverage ratios, Earnings per share, diluted earnings per share, etc., can be calculated.
- **Disadvantages**

- It is a time-consuming process.
- It includes cash and non-cash expenses. Hence, a Cash Flow statement and a Fund Flow Statement are to be studied simultaneously to better picture the entity profitability.

5.5 BALANCE SHEET

The Balance Sheet is a statement that shows the financial position of the business. It records the assets and liabilities of the business at the end of the accounting period after the preparation of trading and profit and loss accounts

‘Not-for-Profit’ Organisations design Balance Sheet for determining the financial position of the establishment. The preparation of the balance sheet is on the same pattern as of the trade entities. It depicts liabilities and assets as during the end of the year. Assets are depicted on the right-hand side, whereas the liabilities are depicted on the left-hand side.

However, there will be a General Fund or Capital Fund in place of the Capital and the surfeit or deficit as per Income and Expenditure A/c which is either deducted from or added to the capital fund, as the scenario may be. It is a common practice to add some of the subsidised items like entrance fees, legacies and life membership fees precisely in the capital fund.

Features of Balance Sheet:

The features of a balance sheet are as follows:

- It is regarded as the last step in final accounts creation
- It is a statement and not an account
- It consists of transactions recorded under two sides namely, assets and liabilities. Assets are placed in the left hand side, while the liabilities are placed on the right hand side
- The total of both side should always be equal
- The balance sheet discloses financial position of the business
- It is prepared after trading and profit and loss account is prepared.

All the above are mentioned balance sheet items are also known as characteristics of the balance sheet.

Importance of Balance Sheet:

Balance sheet analysis can say many things about a company’s achievement. Few essential factors of the balance sheet are listed below:

- Creditors, investors, and other stakeholders use this financial tool to know the financial status of a business.
- It is used to analyse a company's growth by comparing different years.
- While applying for a business loan, a company has to submit a balance sheet to the bank.
- Stakeholders can find out the business accomplishment and liquidity position of a company.
- Company's balance sheet analysis can detect business expansion and future expenses.

What is the purpose of balance sheet?

The main purpose of the balance sheet is to show a company's financial status. This sheet shows a company's assets and liabilities, along with the money invested in the business. This statement is required to analyze the financial status information for several consecutive periods.

Generally, investors and creditors look at the balance sheet of the company to understand how effectively a company will use its resources and how much it can give in return. Though the balance sheet can be prepared at any time, it is mostly prepared at the end of the accounting period. The balance sheet can be created at any time. However, it is often prepared at the end of the financial year.

How to prepare a Balance Sheet?

Below are the steps mentioned to prepare a balance sheet.

1. **Compose a trial balance-** It is a regular report included in any accounting programme. If it is a manual mode, then create a trial balance by transferring every general ledger account's ending balance to a spreadsheet.
2. **Arrange the trial balance-** It is important to arrange the initial trial balance to assure that the balance sheet similar to the relevant accounting structure. While using adjusting entries to adjust the trial balance all the entry should be completely recorded so the auditors can understand why it was made.
3. **Discard all expense and revenue accounts-** The trial balance includes expenses, revenue, losses, gains, liabilities, equity, and assets. Delete all from the trial balance except equity, liabilities, and assets. However, the deleted accounts are used to create an income statement.
4. **Calculate the remaining accounts-** In this stage, sum up all the trial balance account used to create a balance sheet. The typical line items used in the balance sheet are:

- Cash
- Accounts receivable
- Inventory
- Fixed assets
- Other assets
- Accounts payable
- Accrued liabilities
- Debt
- Other liabilities
- Common stock
- Retained earnings

5. **Validate the balance sheet-** The total for all assets recorded in the balance sheet should be similar to the liabilities and stockholders' equity accounts.
6. Present in the required balance sheet format.

Balance Sheet Format:

The balance sheet of a company will look like the image given below.

Balance Sheet of As at.....

Liabilities	Rs.	Assets	Rs.
Capital:		Fixed Assets:	
Opening Balance xxxx		Good will	
Add: Net Profit xxxx		Land	
(Less: Net Loss)		Building	
Less: Drawings xxxx		Plant & Machinery	
Long-term Liabilities:		Furniture & Fixtures	
Loan		Investment:	
Current liabilities:		Current Assets:	
Income received-in-advance		Closing stock	
Sundry Creditors		Accrued income	
Outstanding Expenses		Prepaid expenses	
Bills Payable		Sundry Debtors	
Bank Overdraft		Bills Receivable	
		Cash at Bank	
		Cash in Hand	

5.6 BANK RECONCILIATION STATEMENT

Bank Reconciliation Statement is a record book of the transactions of a bank account. This statement helps the account holders to check and keep track of their funds and update the transaction record that they have made. Bank Reconciliation statement is also known as bank passbook. The balance mentioned in the bank passbook of the statement must tally with the balance mentioned in the cash book. In the statement, all the deposit will be shown in the credit column and withdrawals will be shown in the debit column. However, if the withdrawal exceeds deposit it will show a debit balance (overdraft).

Importance of Bank Reconciliation Statement

Generally, while making a comparison between the company’s cash book and bank balance, the balance does not tally. Therefore, it is important to determine the cause for the difference and display them in the bank reconciliation statement and then tally the two balances. The

bank reconciliation statement helps in explaining the differences in the amount between the company's cash book and bank balance. The cash book and the bank passbook differences are caused by:

The difference in timing recording the transactions: The difference in timing can be caused by many factors which are:

- Bank-issued cheque but not yet deposited for payment
- Paid cheque in the bank but yet not cleared
- Bank made direct debit from the customer's side
- Cheque/ amount deposited directly to the bank account
- Dividends and Interest collected by the bank
- Bank made direct payment from the customer's side
- Cheques deposited/bills discounted dishonoured

Errors made by the company or by the bank: In a few occasions, the error in two balances can be made from the bank side or in the company's cash book. Few errors are as follows:

- Errors made while registering the transaction by the company
- Errors made while registering the transaction by the bank

Types of Bank Reconciliation Statement

The Bank Reconciliation Statement can be prepared in 2 ways:

- Documenting of bank reconciliation statement without adjusting the cash book balance.
- Filing of bank reconciliation statement after adjusting the cash book balance.

Steps to Prepare Bank Reconciliation Statement:

- First, the date on which the statement is recorded is mentioned.
- After which the balance displayed in the cash book is mentioned in the statement. Sometimes, the balance mentioned in the passbook can also be mentioned.
- The deposited cheques which are not collected are deducted.
- Then the cheques issued but the deposited for payment, but amount directly deposited in the bank account are recorded
- All the transactions like overdraft interest, amount debited by the bank but not recorded in the cash book, cheques and bills dishonoured are deducted.
- All the credits and profit collected by the company and directly deposited in the bank is added.
- Adjustments of errors are made

- Now the balance between the cash book and statement should be equal or the same.

EXAMPLE

From the following particulars a Bank Reconciliation Statement for the year ending on 31st March 2011

- (i) Bank balance as per Cash Book Rs 8,600
- (ii) Cheques of Rs 4,000 issued but not presented for payment
- (iii) Bank debited bank charges Rs 200
- (iv) Cheque of Rs 2,800 deposited into the Bank but not Credited by Bank
- (v) Bank paid Insurance Premium on our behalf directly Rs 2,500 not recorded in the Cash Book.
- (vi) Bank Credited interest on investment Rs 1,900 but not recorded in the Cash Book.

ANSWER:

Bank Reconciliation Statement			
as on March 31,2011			
S. No.	Particulars	Amount (Rs)	Amount (Rs)
	Balance as per the Cash Book (Dr.)		8,600
	Add:		
	Cheques issued but not presented for payment	4,000	
	Bank Credited interest on Investment	1,900	5,900
			14,500
	Less:		
	Bank Debited Bank Charges	200	
	Cheques Deposited into bank but not credited by the bank	2,800	
	Insurance premium directly paid by the bank	2,500	5,500
	Balance as per Pass Book (Cr.)		9,000

5.7 ADVANCE ACCOUNTING IN TALLY

Definition of Advanced Accounting covers accounting operations, patterns, merger of public holding companies, foreign currency operations, changing financial statement prepared in foreign and local currencies. Advanced accounting also includes a variety of advanced financial accounting issues such as lease contracts, pension funds, end of service severance payments, etc.

Objectives:

- (a) To lay a theoretical foundation for the preparation and presentation of financial statements,
- (b) To gain working knowledge of the professional standards, principles and procedures of accounting and their application to different practical situations,
- (c) To gain the ability to solve simple problems and cases relating to company accounts including special type of corporate entities, partnership accounts and
- (d) To familiarize students with the fundamentals of computerized system of accounting.

Contents

- 1. Conceptual Framework for Preparation and Presentation of Financial Statements
- 2. Accounting Standards an overview; standards setting process Working knowledge of:
 - AS 1: Disclosure of Accounting Policies
 - AS 2: Valuation of Inventories
 - AS 3: Cash Flow Statements
 - AS 4 Contingencies and Events occurring after the Balance Sheet Date
 - AS 5: Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
 - AS 6: Depreciation Accounting AS 7: Construction Contracts (Revised 2002)
 - AS 9: Revenue Recognition
 - AS 10: Accounting for Fixed Assets
 - AS 11: The Effects of Changes in Foreign Exchange Rates (Revised 2003)
 - AS 12: Accounting for Government Grants
 - AS 13: Accounting for Investments
 - AS 14: Accounting for Amalgamations
 - AS 16: Borrowing Costs
 - AS 19: Leases
 - AS 20: Earnings Per Share

AS 26: Intangible Assets

AS 29: Provisions, Contingent Liabilities and Contingent Assets.

3. Company Accounts

(a) Preparation of financial statements – Profit and Loss Account, Balance Sheet and Cash Flow Statement

(b) Profit (Loss) prior to incorporation

(c) Alteration of share capital, Conversion of fully paid shares into stock and stock into shares, Accounting for bonus issue, Accounting for employee stock option plan, buy back of securities, Equity shares with differential rights, Underwriting of shares and debentures, Redemption of debentures

(d) Accounting for business acquisition, Amalgamation and reconstruction (excluding problems of amalgamation on inter-company holding)

(e) Accounting involved in liquidation of companies, Statement of Affairs (including deficiency/surplus accounts) and Liquidator's statement of account of the winding up.

4. Financial Statements of Banking, Insurance and Electricity Companies

5. Average Due Date, Account Current, Self-Balancing Ledgers

6. Financial Statements of Not-for-Profit Organisations

7. Accounts from Incomplete Records

8. Accounting for Special Transactions

(a) Hire purchase and instalment sale transactions

(b) Investment accounts

(c) Departmental and branch accounts including foreign branches

(d) Insurance claims for loss of stock and loss of profit.

9. Advanced Issues in Partnership Accounts Final accounts of partnership firms – Admission, retirement and death of a partner including treatment of goodwill; Dissolution of partnership firms including piecemeal distribution of assets; Amalgamation of partnership firms; Conversion into a company and Sale to a company.

10. Accounting in Computerised Environment an overview of computerized accounting system – Salient features and significance, Concept of grouping of accounts, Codification of accounts, Maintaining the hierarchy of ledger, Accounting packages and consideration for their selection, Generating Accounting Reports.

Advanced Accounting Features

- Buzz word compliant: This feature offers various versions of the software, making it compliant with older versions of Microsoft operating systems from Windows 98 and up. For

the older operating systems, it's best to contact support to make sure the software is installed correctly.

- **Flexible output:** Multiple formats are available to output any report to PDF. It can also handle formats such as rich text format (RTF), Quattro, HTML, Excel, and Lotus. The availability of these formats makes it easier to share the reports across various communication mediums to the necessary parties.
- **Multiple location inventory control:** This function prepares a company for growth with the capacity to manage one or several inventory locations. Companies can track the last and/or average cost at the location level. You can also sell and track inventory from an unlimited number of sites, and receive purchase orders to various places from one order.
- **Light manufacturing-ready:** The software comes with a bill of materials (BOM) module to let users establish multiple levels that can contain up to 250 products and parts codes. It can be used for kits or more complex processes.
- **Consignment inventory handling:** This function keeps proper records and tracks goods that are received or sold on consignment.
- **Word wrapped notes:** This feature lets users attach an unlimited number of free form notes to articles such as general ledger accounts, sales orders, and purchase order line items.
- **Fully integrated point of sale (POS):** The system's POS function supports audit trails as well as register and clerk support. You can view sales by hour reports and complete abbreviated sales order entry programming from one intuitive interface.
- **Works with certified public accountant (CPA) software:** Avoid redundant data entry with this module's export option. It makes it easy to send general ledger transactions, payroll, and other information to your company's outside accounting firm.
- **Superior Support:** United States-based support specialists are available via phone or email, and will help with remote control software support. There are also local consultants available in many areas.

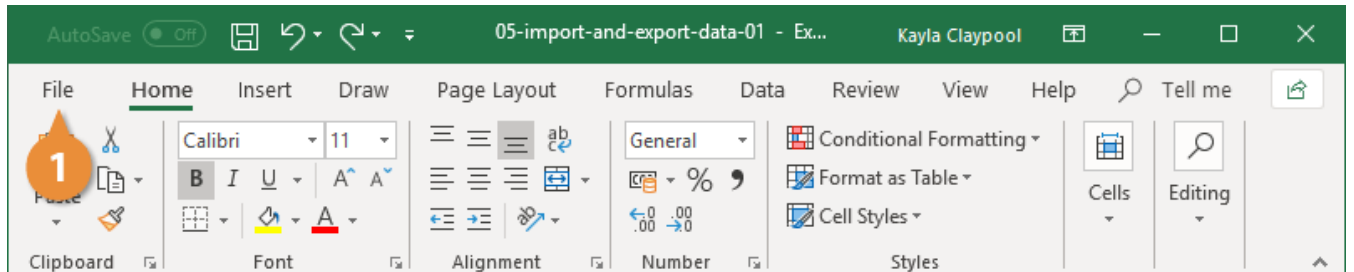
5.8 IMPORT /EXPORT DATA WITH EXCEL

Excel can import and export many different file types aside from the standard .xls format. If your data is shared between other programs, like a database, you may need to save data as a different file type or bring in files of a different file type.

Export Data

When you have data that needs to be transferred to another system, export it from Excel in a format that can be interpreted by other programs, such as a text or CSV file.

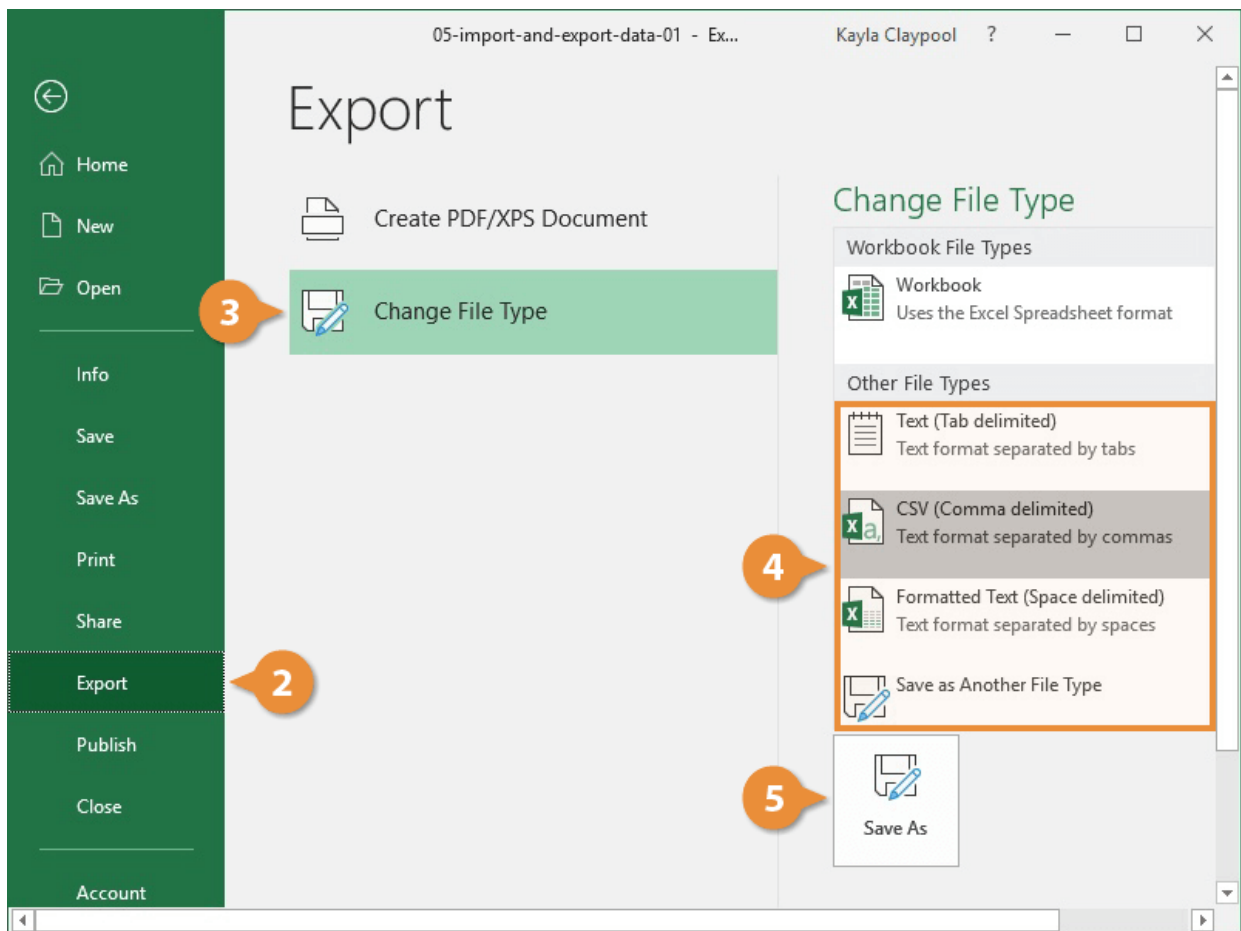
1. Click the **File** tab.



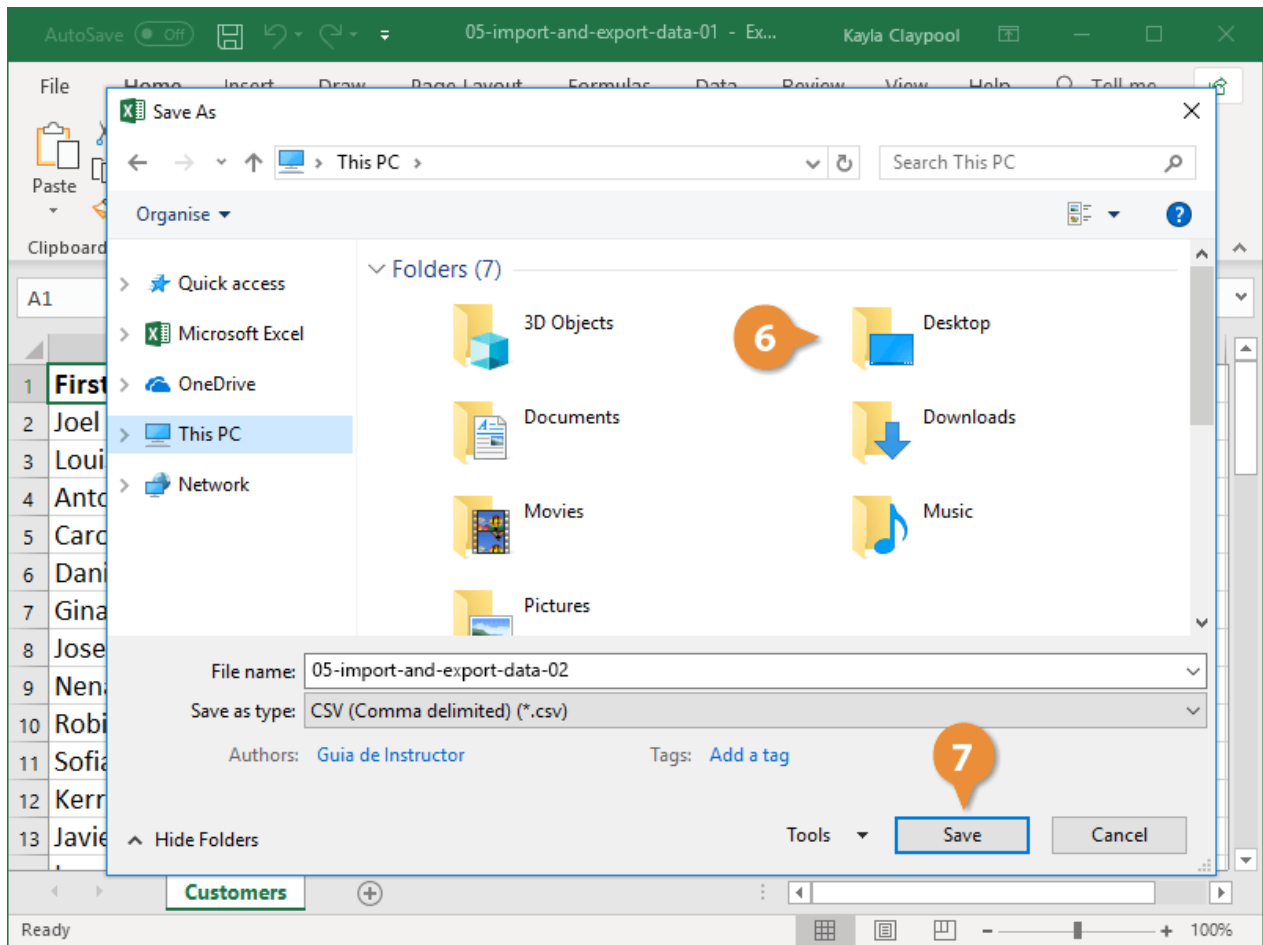
2. At the left, click **Export**.
3. Click the **Change File Type**.
4. Under Other File Types, select a file type.
 - **Text (Tab delimited):** The cell data will be separated by a tab.
 - **CSV (Comma delimited):** The cell data will be separated by a comma.
 - **Formatted Text (space delimited):** The cell data will be separated by a space.
 - **Save as Another File Type:** Select a different file type when the Save As dialog box appears.

The file type you select will depend on what type of file is required by the program that will consume the exported data.

5. Click **Save As**.



6. Specify where you want to save the file.
7. Click **Save**.



A dialog box appears stating that some of the workbook features may be lost.

8. Click **Yes**.

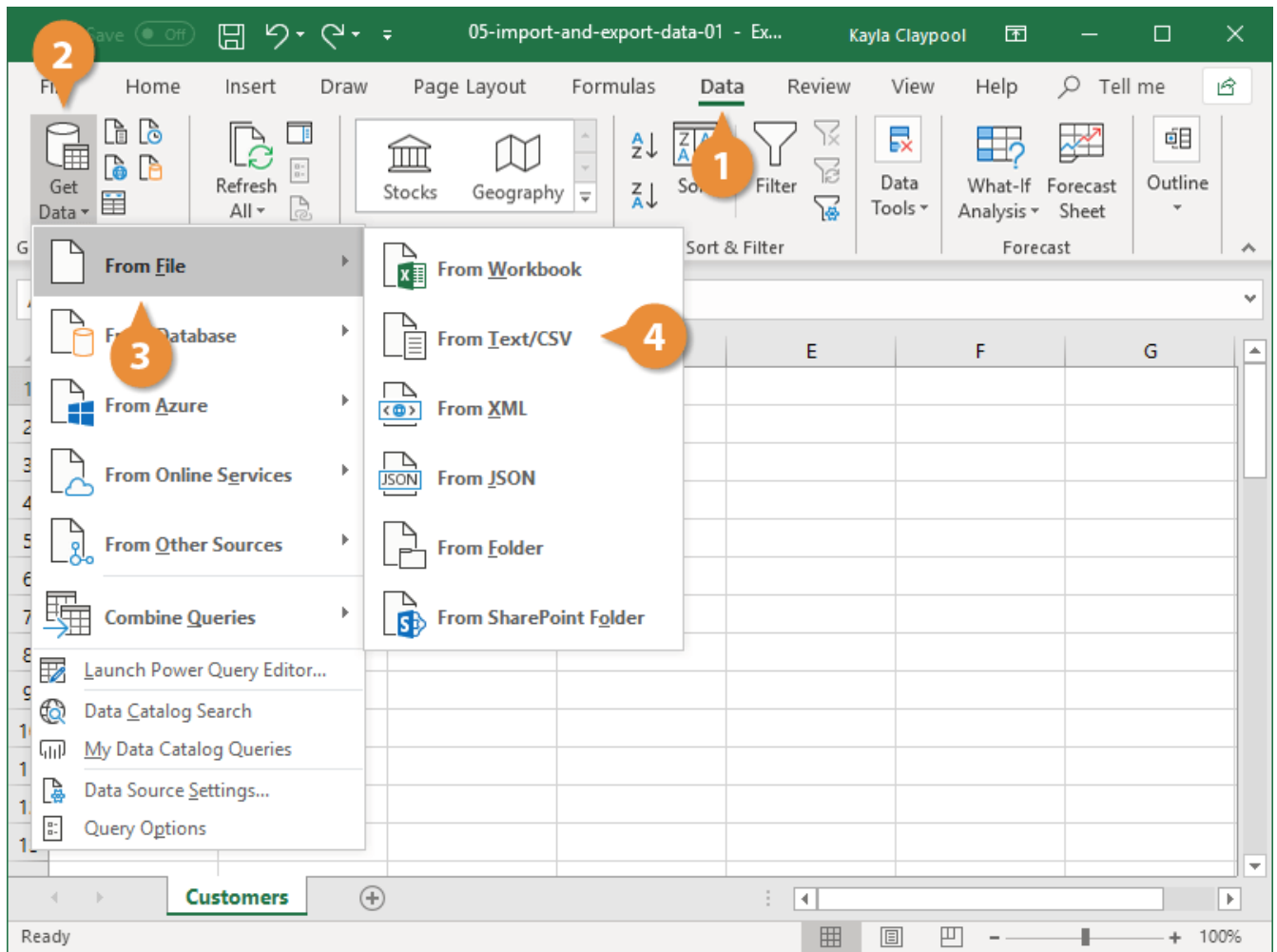
Import Data

Excel can import data from external data sources including other files, databases, or web pages.

1. Click the **Data** tab on the Ribbon.
2. Click the **Get Data** button.

Some data sources may require special security access, and the connection process can often be very complex. Enlist the help of your organization's technical support staff for assistance.

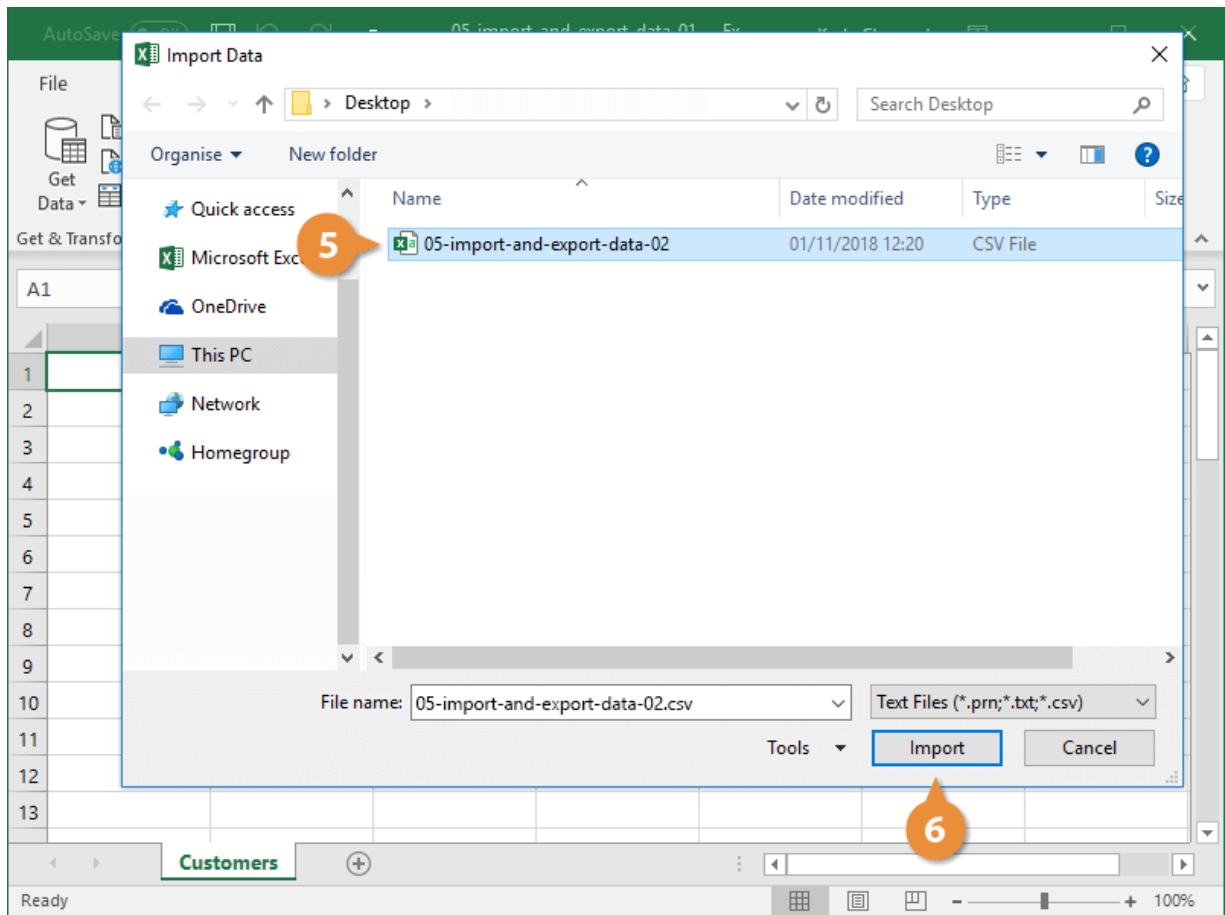
3. Select **from File**.
4. Select **from Text/CSV**.



If you have data to import from Access, the web, or another source, select one of those options in the Get External Data group instead.

5. Select the file you want to import.
6. Click **Import**.

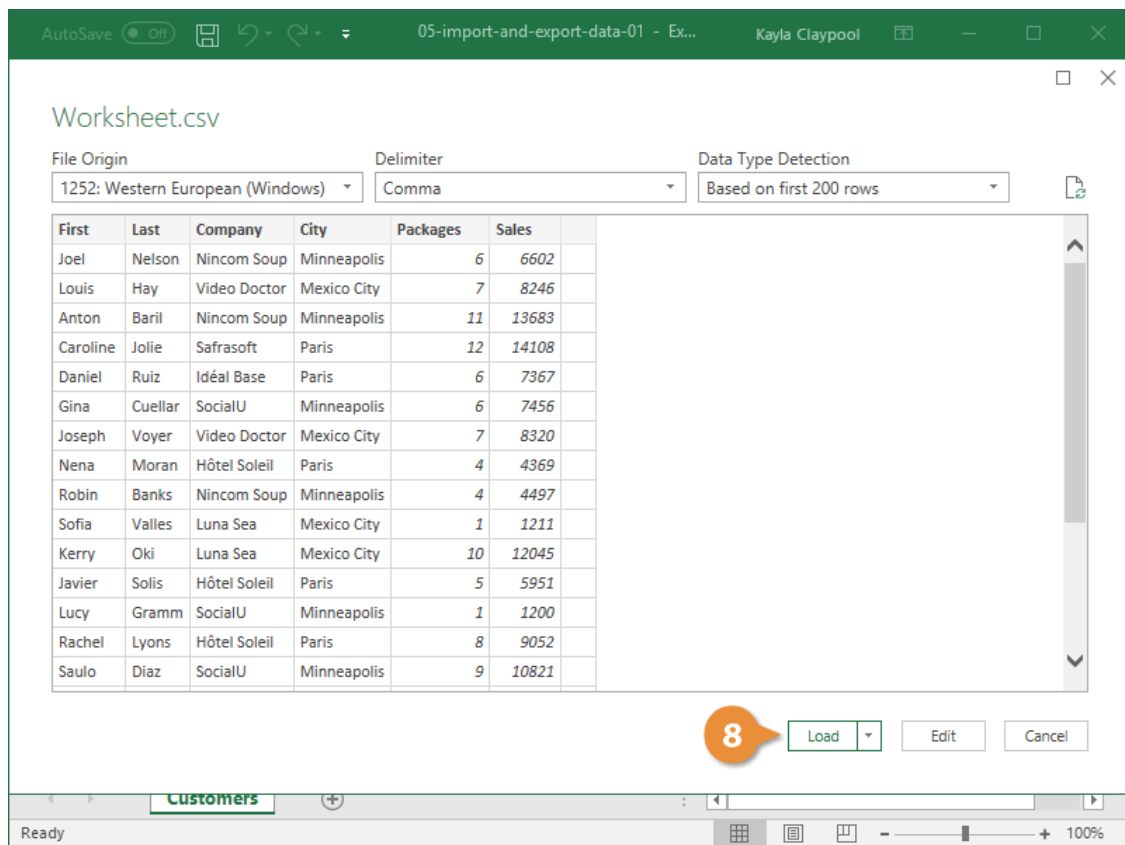
If, while importing external data, a security notice appears saying that it is connecting to an external source that may not be safe, click **OK**.



7. Verify the preview looks correct.

Because we've specified the data is separated by commas, the delimiter is already set. If you need to change it, it can be done from this menu.

8. Click **Load**.



5.9 SECURITY CONTROL IN TALLY

We care for your business data. Data Security has been a matter of concern to the Business Owner as most businesses depend on the confidentiality of the information. To secure your business data, Tally Prime offers a variety security features. You can password protect your company data, define security levels for different users and do much more with the security feature in Tally. The administrator can give different permissions to different kind of users based on the company's requirement. The company data can also be made secure using encryption using Tally Vault.

- Data Security in Tally Products
- Secure Company Data with Tally Vault
- Enable Security for your Company Data
- Configure Password Policy
- Voucher Type Security
- Authorising Security Levels for Tally.NET Users and Auditors

Data Security in Tally Products

Tally offers a comprehensive security framework for authentication, authorisation, integrity, and confidentiality of user data.

Some highlights of the security framework are described below:

Secure Connectivity

Tally.ERP 9 connects to Tally.Net Server using a secure multi-step handshake. The product license and Tally Software Services (TSS) license are validated as part of the handshake.

Secure Transmission

- Data exchanged between Tally.ERP 9 and Tally.Net Server is compressed and encrypted with an enhanced version of the industry-recognized Triple Data Encryption Algorithm, before the transfer process is initiated.
- Message Digests are used to detect data corruption and alteration during transfer.

Secure Data Exchange

- Customer data synchronization between two Tally.ERP 9 systems are controlled by synchronisation configuration. This configuration specifies, the systems that will participate in data exchange, the data that will be exchanged, and role of each participating system.

The users on both systems must authorise the synchronisation configuration before data is exchanged. Post authorisation, data is exchanged only on user request.

- Tally.NET stores encrypted data only to facilitate synchronization. Data is deleted from the Tally.NET Server after synchronisation.

Secure Storage

- Tally.ERP 9 has the provision to encrypt and store customer data on disk using Tally Vault.
- Customer data handled by Tally.NET Server is encrypted, both in memory and on disk.

Secure Application Access

- Tally.ERP 9 opens a network port only when the user requests a network service. The port is open only for the duration of data transfer.
- No other system, third party or Tally, can open the network port or initiate data transfer.

Secure Company Data with Tally Vault

Tally Vault is a feature in Tally.ERP 9 that will help the business to maintain confidentiality of information by encrypting the data.

Set the Tally Vault password while creating the company.

You can also set Tally Vault for the existing companies.

1. Load the Company that need to be secured using Tally Vault.
2. Go to **Gateway of Tally**. press **F3: Company Info > Change Tally Vault**
3. In the **Change Tally Vault** screen select the required company from the **List of Companies**.
4. Enter the Password in the **New Password** field. Tally.ERP 9 displays the strength of the password entered depending on the combination of alphabets, numbers and special characters.
5. Re-enter the password to confirm in the **Repeat New Password** field.
6. Accept to change the Tally Vault password.
7. Tally.ERP 9 displays a message **Created New Company** followed by the new company number, press any key to return to **Company Info**. menu.

Once the company data is encrypted the name of the company and financial year will not be visible in the **Select Company** screen.

You can alter the Tally Vault for an existing company, every time you alter the Tally Vault, a new company will be created with a new number.

Enable Security for your Company Data

Protect your company data while creating a company by enabling the option **Use security control**. Enter the **Name of the administrator** and **Password**. This user name and password need to be provided every time you open the company.

- Types of security levels
- Define access rights for a security level
- Create users and password
- Assign access rights to a Tally.NET user

Types of Security Levels

By default, there are two types of security levels. One is the **Owner** and the other is **Data Entry**.

Owner - The owner has full access rights which will enable him to work with all the features of Tally.ERP 9, except for Tally Audit and Company Alteration which are reserved for the Administrator. Based on pre-defined security levels the Administrator can create other security levels and assign or restrict access based on the requirement.

Data Entry - Data Entry has restricted access but the administrator can assign or restrict the access on need basis.

Define Access Rights for a Security Level

You can create and assign security levels to allow specific access permissions to a user. To create a new security level, you have to log in as an administrator.

1. Go to **Gateway of Tally > F3: Cmp Info > Security Control > Types of Security.**
2. Create a new security level in the **List of Security Levels**, as shown below:
3. Press **Enter** to view the **Security Levels** screen.
4. Assign the applicable security settings.

The **Security Levels** screen appears as shown below:

5. Press **Ctrl+E** to accept.

Create Users and Password

You can create users, assign security levels, restrict/allow remote access and local TDLs for the users created.

1. Go to **Gateway of Tally > F3: Company Info > Security Control**
2. Select Users and Passwords

The **List of Users for Company** screen appears as shown below:

3. Select the required **Security Level** from the **Security List.**
4. Enter the user's name in the **Username** field.
5. Enter the password in **Password (if any)** field.
6. By default **Allow Remote Access** and **Allow Local TDL** is set to **No** and skipped for users not classified under Tally.NET User and Tally.NET Auditor
7. Accept to create the user.

Assign Access Rights for Tally.NET user

You can give specific set of permissions for different kinds of users of your company data. This can be done in Security Levels.

- Go to **Gateway of Tally > Alt+F3 > Security Control > Types of Security**. In the Security Levels for Tally.NET User screen, **Tally.NET User** appears in the **Name of Security Level** field.
- **Use Basic Facilities of** – the administrator can select the required facility from the Security List. In case there already exists user defined security levels, they will be displayed in the Security List. The new level created will be displayed when the user creates another security level
- **Days Allowed for Back Dated Vouchers** – By default this field is set to 0, enter the required number of days. Alteration or Insertion of backdated vouchers can be done within the number of days mentioned from the Date of Last Entry of vouchers
- **Cut-off date for Backdated vouchers** – you can specify the required date. Tally.ERP 9 does not allow you to record a transaction prior to the date mentioned. This can be used in addition to Days Allowed for Backdated Voucher. This input will be useful in situations where you have completed the audit and do not require any changes in the data
- **Set Rules for Print Before Save** - use this option to restrict a security level from printing the required voucher type before saving the voucher or restrict a security level from printing all the available voucher types before saving the vouchers.
- **Allow company to connect** – by default it is set to **No**. Set this to **Yes** if you need to connect the respective company to the Tally.NET Server.
- **Rules for Print Before Save** - by default Set Rules for Print Before Save is set to No which allows the user to print all the available voucher types.
 - in **Allow the following Voucher Types column of Print Vouchers Before Save Rules** screen, select the required voucher type that is allowed for printing before save from the Types of Vouchers.
 - in **Disallow the following Voucher Types** column, selects the required voucher type that need to be disallowed for printing before save from the **Types of Vouchers**.

Configure Password Policy

A good password policy will enhance data security and allow only authorized users to view financial data. In Tally.ERP 9, the Administrator can set a password policy in place, which users will have to adhere to, while creating and managing passwords for their company.

1. Go to **Gateway of Tally > Company Info > Security Control > Password Policy.**

The **Password Policy for Company** screen will appear as shown:

2. Enable **Activate password policy.**

Password Strength

- In **Minimum password length** field, the administrator can specify the minimum number of characters that a password should contain. By default, 8 will be the minimum password length (This value is derived from the PCI-DSS standards). Administrator can still change this value as per the requirement.
- Enable **Advanced parameter for password strength**, to impose restrictions on the number of alphabets, numerals and special characters that should be present in a password.

Password Expiry

- You can set a value for the expiry of the password. By default, the value will be 90 days, which is derived from the PCI-DSS.
- You can notify the users when the password is about to expire. You can set the notification period.
- Password history maintained in Tally.ERP 9 is used to restrict the usage of previous passwords. You can configure the No. of old password to be restricted after enabling the option **Restrict the use of old Passwords.**
- If the password policy followed in the organisation requires users to change their passwords upon first login, enable the option **Change password on first login.**
- As a part of Password policy, you can also allow users to change their own passwords.
- **User Status:** Apart from configuring Password Policy, Administrator can also make a user Active or Inactive. Only active users are allowed to log in to the company while Inactive users are not allowed to load the company. Enable the option **Show user status** in **F12: Configure.** Administrator can make a user Inactive, after which the user will be restricted to log in to the company.

Voucher Type Security

Voucher Type Security will help the business owner specify both individual Voucher Type (Contra, Payment, etc.) restriction and activity level (Sales Department, Procurement Department etc) restriction for different users.

The types of functions or activities for which the control can be set include being able to Create, Alter, Print, or have Full Access to any particular type of Voucher in Tally.ERP 9.

- Benefits of voucher type security
- Set voucher type security for users
- Security for pre-defined groups of vouchers
- Voucher type security add-ons and voucher type security feature in Tally.ERP 9

Benefits of Voucher Type Security

With Tally.ERP 9's Voucher Type Security feature, the administrator can

- Create a department and role based segregation of access for different users.

For example: Access based on Sales, Purchase, Accounts and Payroll etc. for employees in those areas of work.

- Provide or deny access to what level of activity can be performed on a Voucher by different users

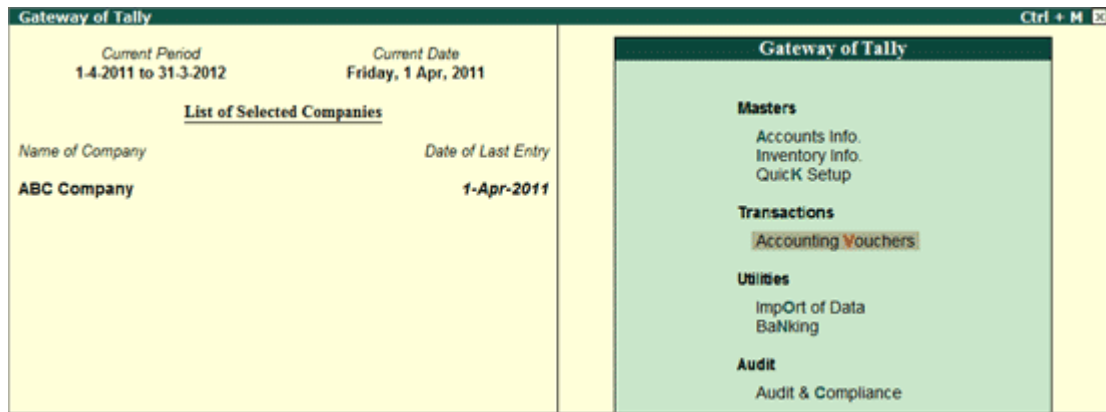
For example: User A & User B Can Create and Alter a Payment Voucher, but User C can only view the same.

- Provide access to an entire group of Vouchers like Accounting Vouchers, or Inventory Vouchers as a whole.

Set Voucher Type Security for Users

Example: ABC Company has a user Arum, who records Sales and Receipt transactions. Access to Create and Alter Sales and Receipt Vouchers has to be provided to him.

1. In Security Levels screen, Voucher Types and Group of Vouchers (Accounting Vouchers, Inventory Vouchers, Order Vouchers and Payroll Vouchers) have been included in List of Reports to set the Voucher Type Security.
2. To provide access to Create/Alter Sales and Receipt Voucher Types, configure the Security Level as shown:
3. Enter Aron's login in details to open the Company as shown below:
4. In Gateway of Tally, only Accounting Vouchers option is displayed as shown below:



5. On navigating from this option, only Receipt and Sales Vouchers are enabled for recording transactions.
6. If the user Arum navigates to Day Book, Tally.ERP 9 will display all the Vouchers recorded during the period specified, but will not allow the user to Alter/Print the Vouchers which are restricted. If the user selects any Voucher other than Receipt or Sales Vouchers, Tally.ERP 9 will display the error No Access Allowed!

Security for pre-defined Groups of Vouchers

Tally.ERP 9 provides four pre-defined groups of Vouchers in order to facilitate users to quickly configure Voucher level security.

The **Voucher Types** in Tally.ERP 9 are grouped under the following categories:

1. Accounting Vouchers
2. Inventory Vouchers
3. Order Vouchers
4. Payroll Vouchers

Points to remember:

- If users are Allowed / Disallowed access to any of the groups listed above, the Voucher Types listed under the respective group will also carry the same access configuration.
- Disallowing access to Voucher Types will not affect the user's access to Create Voucher Types. To restrict a user from Creating Voucher Types, access to Masters has to be Disallowed.

Therefore, according to the example above, as Arum has been Disallowed access to Payment Voucher, he cannot record transactions using Payment Vouchers, but he can still Create a

Voucher under Payment Voucher Type. To restrict Aron's access for Creating Vouchers under Payment Voucher Type, access to Accounting Masters has to be Disallowed.

Voucher Type Security Add-ons and Voucher Type Security feature in Tally.ERP 9

If an Add-on for providing Voucher Type Security is already in use,

- Access configurations defined using Tally.ERP 9 and the Add-on will be combined.

For example: If, for User A, Full Access to Payment Voucher is Disallowed in Tally.ERP 9, and in the Add-on Full Access to Receipt Voucher is Disallowed, User A will not be able to access both Payment and Receipt Vouchers.

- Tally.ERP 9's Voucher Type Security configuration will override the Add-on's configuration.

For example: If for User A, Full Access to the group Accounting Vouchers is Disallowed in Tally.ERP 9, and in the Add-on Full Access to Payment Voucher is Allowed, User A will not be able to access Payment Voucher.

5.10 UNIT END QUESTIONS

A. Descriptive Questions

Short answer questions

1. Define inventory control.
2. Explain Bank reconciliation statement.
3. Define profit and loss account.
4. Describe security control in tally.
5. How to prepare balance sheet?

Long answer questions

1. Explain bank reconciliation statement.
2. Explain trial balance.
3. Describe import and export data with excel.
4. Describe inventory control in detail.
5. How to prepare profit and loss account?

B . Multiple Choice Questions

1. The components of Computerised Accounting System are:

- a. Data, Report, Ledger, Hardware, Software;
- b. Data, People, Procedure, Hardware, Software;
- c. People, Procedure, Ledger, Data, Chart of Accounts;
- d. Data, Coding, Procedure, Rules, Output.

2. The Computerised Accounting System refers to:

- a. Printing of Balance Sheet and Profit and Loss Accounts using computer;
- b. Processing of accounting transaction through computer and produce records and reports;
- c. Processing of accounting related data and printing reports;
- d. None of the above

3. The components of Computerised Accounting System refers to:

- a. Business transactions are analysed, transactions recorded, prepare trial balance, preparation of balance sheet and profit and loss account;
- b. From data entry to preparation of final statements;
- c. Transformation of manual accounting system to CAS;
- d. None of the above.

4. The Grouping of Accounts means the classification of data from:

- a. Asset, liabilities and capital
- b. Asset, capital, liabilities, revenue and expenses
- c. Asset, owners' equity, revenue and expenses
- d. None of the above.

5. Codification of Accounts required for the purpose of:

- a. Hierarchical relationship between groups and components
- b. Data processing faster and preparing of final accounts
- c. Keeping data and information secured
- d. None of the above.

Answers: 1. b, 2. b, 3. a, 4. b, 5. A

5.11 REFERENCES

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Web Resources:

- Tally Solutions. (n.d.). <https://www.tallysolutions.com>
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UNIT- 6 DATA SECURITY AND AUDIT

STRUCTURE

- 6.0 Objectives
- 6.1 Introduction on Data Security
- 6.2 Short-cuts keys
- 6.3 Data synchronization
- 6.4 Finalization entries
- 6.5 Tally Audit
- 6.6 Types of Audits
- 6.7 How to draft reports
- 6.8 Tally audit control
- 6.9 Unit End Questions
- 6.10 References

6.0 OBJECTIVE

After completing this Students will be able to

- Define data security
- Understand short cut keys
- Define tally audit
- Explain how to draft reports

6.1 INTRODUCTION

Using the Tally.Server 9 Monitor, an Administrator can now give permission to users to perform operations like Backup, Restore, Rewrite, Create Company, Split Company and define user access to Tally.Server 9 Monitor. The administrator can also restrict the rights of users to perform Manage Server operations.

Permitting only a required set of users to perform these operations, ensures better administration and enhances data security.

To set these permissions

1. From **Company View** or **User View**, click **S: Manage Server** or press **Alt + S**.
2. In the **Tally.Server 9 Information** screen that appears, click **F6: Security**.

The following operations can be performed from the **Security Control** screen:

- Creating/Altering Security Levels
- Assigning Security Levels to Tally.NET Users

Creating and Altering Security Levels

To Create a Security Level, place the cursor on **L: Types of Security** and press **Enter** or press **AtlAtl**

1. The **Security Access for Tally.Server** sub-screen appears. Enter a name for the Security Level in the **List of Security Levels** field
2. Press **Enter** to define permissions for the **Security Level** being created
3. Enable the required rights for the Security Level. The permissions that can be set for a Security Level, are divided into two sections:
 - **Data:** Rights to perform the following data activities can be allowed or restricted, by setting the relevant data activity option to Yes or No.
 - Backup
 - Create Company
 - Restore
 - Rewrite
 - Split Company
 - **Monitoring Tool:** Rights to perform the following operations using Tally.Server Monitor can be allowed or restricted, by setting the relevant data activity option to **Yes** or **No**.
 - **Monitoring Data:** If set to **No**, the respective users will not be able to monitor data operations. If set to **Yes**, the users will be able to view data. operations being done on data endpoints to which they have access.
 - **Disconnect Company/Users:** If set to **No**, the option **U: Disconnect Users** in Tally.Server Monitor will be disabled for the respective users.
 - **Export Server Data:** If set to **No**, the option **F6: Export Data** in Tally.Server Monitor will be disabled for the respective users.

- **Server Configuration:** If set to **No**, the option **S: Manage Server** in Tally.Server Monitor, and its accompanying options, will be disabled for the respective users.
5. To Alter a Security Level, place the cursor on the required Security Level and press **Enter**. The Security Level screen will appear, where permissions can be configured.
 6. To delete a Security Level, place the cursor on the required Security Level and press **Spacebar**.

Assigning Security Levels

To assign a Security Level to a Tally.NET User

1. Select the option **U: Users and Passwords** and press **Enter** or press **Attu**.
3. Select a Security Level from the **Security List** displayed.
4. Enter the **Tally.NET ID** of the user for whom the Security Level needs to be assigned.
5. After the Tally.NET users have been assigned their **Security Levels**, press **Y** or **Enter** to save the configurations and return to **Security Control** screen.

6.2 SHORT CUT KEYS

The Tally ERP 9 is a powerful and user-friendly software for Accounting and Inventory purposes. Also, compared to the cost of other accounting software in the market tally seems to be very reasonable. Similarly, the tally ERP 9 & Prime has inbuilt with very core features like shortcut keys. Thus, with the help of the below shortcut keys in tally prime & ERP 9, the user can navigate to any screen within no time. In this article, you will see all such shortcut key lists with their functions. Also, you can download the tally shortcut keys list in pdf format from the below link.

TOP 5 Shortcut Keys

Tally ERP 9.0

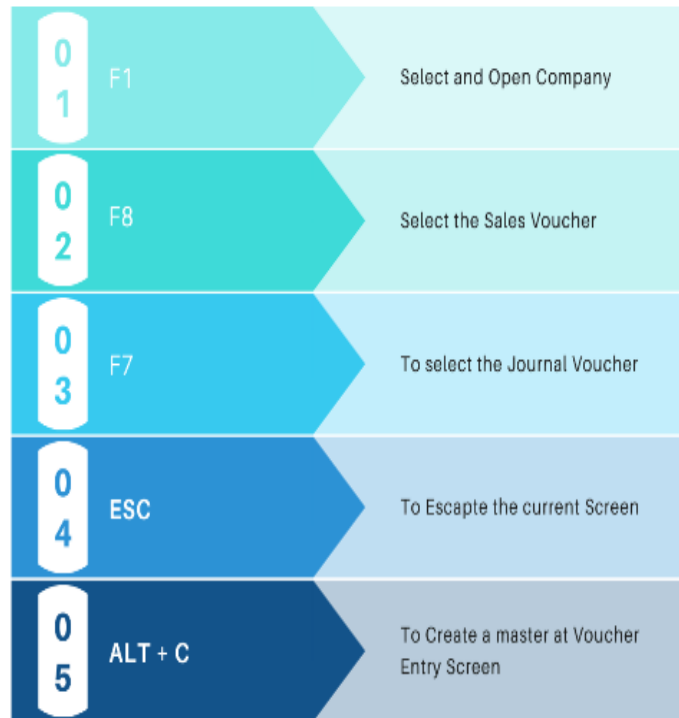


Fig :6.1 Top 5 Shortcut keys

Voucher Type Shortcut Keys

The below keys can be used to reach out to the specified voucher entry screen in tally. Thus, you need not have to click on the link every time you want to go to the specific voucher entry. For egg. you can hold the CTRL key and pressing F1 at the same time will take you to the payroll voucher.

1. **CTRL + F1:** Selects the payroll voucher from Inventory Voucher or Accounting Screen.
2. **CTRL + F2:** This key selects Sales Order Voucher from Accounting and Inventory Voucher Screen from Tally ERP 9.0.
3. **CTRL + F4:** The key selects Purchase Order Voucher from Accounting Entry Screen.
4. **CTRL + F10:** To go on the memorandum voucher screen.
5. **CTRL + F9:** Go to Debit note voucher from the Gateway of Tally.
6. **CTRL + F8:** Go to the Credit note voucher screen.
7. **ALT + J:** Job work Issue/out Screen
8. **ALT + W:** Job Work Receipt Voucher
9. **F1:** Select or open the Company from the gateway of Tally.
10. **F2:** Change the Current Date
11. **F4:** Contra Voucher
12. **F5:** Payment Voucher
13. **F6:** Receipt voucher

14. **F7**: Shortcut key Journal Voucher
15. **F8**: Sales Voucher Screen
16. **F9**: Purchase Voucher Shortcut
17. **F11**: Tally Features Configuration
18. **F12**: Configure Tally setups for a voucher, Generate, Printing, Licensing, etc.

Shortcut Key at Voucher Screen

The below shortcuts can be used at the voucher entry screen. Thus, these keys will make your data entry easy. Here is the list of such shortcuts.

ESC: The Escape key can be used to delete the typed-in file during the voucher entry. Also, the shortcut key to quit from tally is ESC(Escape). The ESC key is the first key on your keyboard. Thus, the ESC key is a multistage key in tally.

1. **ALT + D**: Deletes the selected voucher/Master
2. **ALT + C**: Create a new master
3. **ALT + X**: Cancels voucher
4. **ALT + I**: Insert New voucher
5. **ALT + 2**: Creates duplicate voucher from selected voucher
6. **CTRL + A**: Save the entry
7. **CTRL + V**: Toggle between Invoice and Voucher mode
8. **CTRL + N**: See the calculator
9. **CTRL + ALT + C**: Copy data from Tally
10. **CTRL + V**: Paste the copied data in Tally ERP 9.

Shortcut Key at Report Screen

You can use the below keys while generating reports in tally. Similarly, you can use them to export the voucher or reports directly from tally to excel and pdf format.

1. **ALT + N**: To view reports in the automatic column
2. **ALT + R**: Hide the lines in the generated report
3. **ALT + P**: Print any report
4. **ALT + E**: Export the generated report in ASCII, Excel, HTML, PDF, and XML format.
5. **ALT + F1**: View detail report

GST Related Shortcuts in Tally

These are some of the new keys for GST-related Transactions in Tally.

1. **CTRL + O**: Opens the GST portal Website
2. **CTRL + E**: Export the selected GST Return
3. **CTRL + A**: View accepted the voucher as it is.

4. Alt + S: Opens Statutory Payment Screen
5. Alt + J: Make Statutory adjustments in a voucher

Tally Prime Shortcut Keys



Fig :6.2 Tally Prime Shortcut Keys

The tally prime has four types of shortcut keys for reports, Vouchers, for other use and some are hidden. Let us understand which shortcut key is doing what type of function in tally prime.

Voucher shortcut keys for Tally prime

Function	Name of key(s)
The key combination retrieves the narration from the previous ledger	Alters
opens the calculator panel from the Amount field	Baltic
Deletes a voucher/transaction	Halted
Cancel a voucher	Caltex
Opens a manufacturing journal from the Quantity field of a journal voucher	Alva
Removes the item/ledger line in a voucher	Ctrl+E
Retrieves the narration from the previous voucher, for the same voucher type.	Ctrl+E

Duplicate/copy the selected voucher from the any register. use left hand side Alt + 2 keys, if right hand side does not work for you.	Alt + 2
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Masters & Vouchers

Takes to the next input field	Tab
Take you to the previous input field	Shift Tab
Removes the value typed	Backspace
Creates a master, on the fly	Baltic
Opens the calculator panel	Baltic
Insert the base currency symbol in an input field.	Alt+4 OR Ctrl+4
The key opens the previously saved master or voucher and To scroll up in reports	Page Up
Opens the next master or voucher & To scrolls down in reports	Page Down
Copies the text from an input field	Ctrl+E or Ctrl+Alt+C
Paste an input copied from a text field.	Ctrl+E or Ctrl+Alt+V

Reports Shortcut keys for Tally prime

Function	Name of Key(s)
Inserts a voucher in a report	Altair
Creates an entry in the report, by duplicating a voucher	Alt+2
Drill down from a line in a report	Enter
Deletes an entry from a report	Halted
Adds a voucher in a report	Alta
Cancel a voucher from a report	Caltex
Removes an entry from a report	Ctrl+E
Hides or show the details in a table	Atlatl
Display's all hidden line entries if they were removed	Attu
Display's the last hidden line. However, if multiple lines were hidden, pressing this shortcut repeatedly will restore the last hidden line first and will follow the sequence.	Ctrl+Up
Expands or collapse information in a report	Shift Enter
Alters a master during voucher entry or from drill-down of a report	Ctrl+Enter

Selects/deselect a line in a report	Space bar
Selects or deselect a line in a report	Shift Space bar
Performs linear selection/deselection multiple lines in a report	Shift Up/Down
Selects or deselect all lines in a report	Ctrl+Space bar
Selects or deselect lines till the end	Ctrl+Shift+End
Selects or deselect lines till the top	Ctrl+Shift+Home
To remove the selection of line items in a report	Ctrl+Alt+I

Hidden Keys

Function	Name of Key(s)
Use to go back to the previous screen by closing the currently open screen	Esc
Removes an input that is provided/selected for a field	Esc
Opens the Company Features screen	F11
Moves to the first/last menu in a section	Ctrl+Up/Down
Move to the left-most/right-most drop-down top menu	Ctrl+Left/Right
Move from any line to the first line in a list	Home & PgUp
To go from any point in a field to the beginning of the text in that field	Home
Moves from any line to the last line in a list	End & PgDn
Moves from any point in a field to the end of the text in that field	End
Rewrites the data	Ctrl+Alt+R
Quit Tally prime	Alt+F4
View the build information	Ctrl+Alt+B
View TDL/Add-on details	Ctrl+Alt+T
Navigate to the next artifact in the context	+
Increment the Report date or next report in a sequence of reports displayed	+
Navigate to the previous artifact in the context	-
Decrement Report date or previous report in a sequence of reports displayed	-
Accepts or saves the data on the screen	Ctrl+A
The Alt + Enter key expands or collapse a group in a table	Alt+Enter
Opens or hide calculator panel	Ctrl+N
Exit a screen or the tally app.	Ctrl+Q

Re-export the JSON File for generating E way bill. Press CTRL + B when you are on export offline screen. Select “yes” from the list and you will see the vouchers to re-export again.	CTRL + B
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Other keys

Function	Name of Key(s)
Opens a report, and create masters and vouchers while working	Alt+G
Switchs a different report, and create masters and vouchers while working	Ctrl+G
Opens company’s top menu	Alt+K
Press F3 to switch to another company from the list of open companies	F3
Press Alt + F3 to select and open another company located in the same folder or other data paths	Alt+F3
Shut the currently loaded companies	Ctrl+F3
Opens TallyHelp topic based on the context of the screen that is open	Ctrl+F1
Get the list of configurations applicable for the report/view	F12
Opens the company menu with the list of actions related to managing your company	Alt+K
Alt + y key to pen the list of actions applicable to managing the company data	Alt+Y
Use Alt + Z key to open the list of actions applicable to sharing or exchanging your company data	Alt+Z
Alt + O key will Open the import menu for importing masters, transaction, and bank statements	Alt+O
Access the e-mail menu for sending transactions or reports	Alt+M
Access the the print menu for printing transactions or reports.	Alt+P
See the export menu for exporting masters, transactions, or reports	Alt+E

Opens the Help menu	F1
Open the TallyHelp topic based on the context of the screen that is open	Ctrl+F1
Select the display language that is applicable across all screens	Ctrl+K
Select the data entry language that is applicable to all screens	Ctrl+W
To rewrite the data	Ctrl+Alt+R
see the view the build information	Ctrl+Alt+B
View TDL/Add-on details	Ctrl+Alt+T
To accept or save a screen	Ctrl+A
To expand or collapse a group in a table	Alt+Enter
Opens the Stock Journal voucher	Alt+F7
Exports the current voucher or report	Ctrl+E

Edit log Shortcut keys

Below is the shortcut key to navigate edit log in Tally Prime 2.1 release.

View the Activities Affecting Edit Log report	Alt+K (Company) > Edit Log and press Enter .
View edit log in the daybook	CTRL + B in daybook. Select show report for & Enter
Edit log for the ledger, Stock item, and Group	ALT + Q from ledger alteration screen

6.3 DATA SYNCHRONISATION

When your business has multiple branches, you will need to share business data like payments and receipts, stock details from branches/warehouses, and so on. This data sharing can be between different branches, or between head office and branches/warehouses. You can use data synchronisation to share and update data between two or more locations, including head office, branches/warehouses. At both locations, you must have the same release of Tally

ERP 9. However, you need not maintain continuous internet connectivity to do synchronisation.

Data distribution and consolidation: You can use synchronisation to distribute the item catalogue or party ledgers created at the head office or a branch/warehouse to all branches. The transactions recorded at all branches or warehouses can be consolidated at the head office, or a designated branch. In effect, you can avoid duplication of data entry efforts, and minimise errors. In case you alter or delete transactions, you can share such vouchers too.

The data that you can share between Tally.ERP 9 in two locations include masters and transactions. You can configure your Tally.ERP 9 to control the direction in which this data sharing should take place. For this, Tally.ERP 9 follows a client-server model. You can designate one location as the client and the other as server. However, Tally.ERP 9 can behave as client and server at the same time. This will help to set up data distribution and consolidation at the same location. For example, you can create all masters at the head office and share with branches. You can also consolidate transaction data from all branches at the head office.

Security: The process of synchronisation is secure as the data is transmitted in an encrypted XML format, over HTTP. Tally.ERP 9 uses the Modified DES algorithm, which is proprietary in nature, for data encryption. After synchronisation the data is not stored anywhere. You can decide which Tally.ERP 9 user can perform synchronisation and related tasks.

Rules for Synchronisation: You can designate any one Tally.ERP 9 as a server and another as a client. At the client, define Client Rules for masters and transactions, according to which the data will be sent or received. The same Client Rule can be activated at the server location as a Server Rule based on which Tally.ERP 9 can accept or reject the data. Direction of data flow in any Client Rule can be as follows.

Client Rule	Transactions	Masters
Send only	✓	✓
Receive only	✓	✓
Both	✓	X

(send & receive)		
------------------	--	--

You can configure Tally.ERP 9 Silver (Single User) and Gold (Multi User) either as Client or as Server for the purpose of synchronisation.

Completeness of data transmission: Tally.ERP 9 can ensure that all the masters used in a transaction are shared along with the transaction. This includes Ledgers, Groups, Stock Items, Units of Measures, Currencies, and so on. After the first instance of synchronisation, if any transaction is altered or deleted, the changes are updated in the subsequent synchronisations.

To ensure that the data synchronisation between two locations are carried out completely, you need to have the same features enabled in F11 for both the companies. When the accounting or inventory masters are altered, a new master gets created at the other end on synchronising data.

Modes of Sync.: Synchronisation can be done in two modes.

- **Online:** The client and the server companies need to be online at the same time, and connected through Tally.NET Server, or a private network. The sync rule and data are immediately transferred to the connected company. To synchronise in a private network, use the static IP address and the port number on which Tally.ERP 9 is running.
- **On-demand:** The client and the server companies need not be online at the same time. Data is synchronised using Tally.NET Server. The Tally.NET Server stores the sync rule and data until it is accepted by the receiving company. Hence, you can initiate a synchronisation at anytime without worrying about the other company being online. The data on Tally.NET Server is deleted after the receiving party takes it or after seven days, whichever is earlier. After seven days, a new synchronisation request has to be sent.

Note: To synchronise using Tally.NET Server, a valid license and an active TSS are required.

Exchange of bulk data: When you open a new branch, or set up synchronisation for the first time, the need to exchange large data is high. The snapshot exchange feature enables fast data exchange. You need to use private network for snapshot exchange.

Set up for Synchronisation: Specify the role of your company in synchronisation, create sync. rule on the client, and activate the sync. rule on the server. If you are using

Tally.NET Server for synchronisation, you need to configure the TSS feature. For online synchronisation, keep the company connected.

Get Started with Synchronisation

1. Specify the role of your company
2. Define Synchronisation Rules
3. Synchronise data

Specify the role of your company

You can configure your Tally.ERP 9 company to be a client, server, or both for synchronising data. If you do not need to synchronise data, you can set this configuration as **None**.

1. Go to **Gateway of Tally > F12: Configure > Advanced Configuration**.
2. Configure your company as **Client, Server, or Both** (Client & Server).
3. Specify the required **Port** (for example: 9000).

These details are displayed in the **Configuration** block of the **Info Panel**.

4. Save the configuration. Restart Tally.ERP 9 as prompted.

After specifying the role of your company in synchronisation, you can create the client rules.

Define synchronisation rules

There are two steps to set up synchronisation rules, one at the client and the other at the server.

- Create client rules
- Activate server rules

Create Client Rules

Synchronisation rule for the client company defines your data synchronisation preferences.

The client rule sets options for synchronising masters and transactions with the server.

1. Create Client Rule for **Master**.
 - a. Go to **Gateway of Tally > Import of Data > Synchronisation > Client Rules > Create**.
 - b. **Rule Type - Master**.
 - c. Enter the **Rule name**.
 - d. Use **On-demand sync?** - **Yes**, if needed. If enabled, you need to use Tally.NET Server for synchronisation.

e. **Sync via Tally.NET Server?** - **Yes**, to use Tally.NET Server. Set it to **No**, to use private network, and specify the **Server URL**.

- in **Server account ID**, enter your Tally.NET Server account ID.
- in **Company name on server**, enter the company name on server.

f. Select **Direction of sync** as **Receive Data** to receive masters from the server company. Select **Send Data** to send masters to the server company.

g. Save the configuration.

2. In a similar manner, create Client Rule for **Transaction**.

- **Rule Type - Transaction**.

3. Send Client Rule to the server.

a. Go to **Gateway of Tally > Import of Data > Synchronisation**.

b. Select **Synchronise All** to send all rules. Select **Synchronise Selected** to send selected rule.

c. Press **Enter** to start synchronisation to send the rule.

The client rules are defined. Do a synchronisation at the client to send these rules to the server. You also need to do a synchronisation to get these rules at the server.

If you are using On-demand synchronisation, the rules will be stored at the Tally.NET server until the server executes synchronisation.

Activate Server Rules

Synchronisation rule for the client company defines your data synchronisation preferences. Do a synchronisation to get the client rules to the server, and then activate it as the server rule.

1. Activate Server Rule for Master.

a. Go to **Gateway of Tally > Import of Data > Synchronisation > Server Rules > Activate**.

b. Select the rule from the **List of Rules**. The **Rule Type** tells you if the rule you are selecting is a masters or transactions rule.

The **Server Rule Alteration** screen appears.

c. Activate rule - **Yes**.

2. In a similar manner, activate Client Rule for **Transaction**.

- **Deactivate when client rule changes - Yes** to auto deactivate the rule when client rule is modified. This enables you to check and activate the required rule.
- **Activate rule - Yes.**

Server Rule is activated. You can execute data synchronisation when needed.

Synchronise data

After setting up the Client Rules and Server Rules, you can synchronise data when needed.

1. Go to **Gateway of Tally > Import of Data > Synchronisation.**
2. Select **Synchronise All** in order to synchronise data for all the client rules created.
Select **Synchronise Selected** in order to synchronise data for a selected rule.
You can use selective synchronisation in case you want to receive masters, without sending transaction details to the server or vice-versa.
3. Press **Enter** to start data synchronisation.
After data synchronisation is completed, a message appears in the client system's **Calculator** panel.

A similar message appears in the server company's **Calculator** panel.

Control Data Exchange/Synchronisation

- Who will use synchronisation features
- Share masters between branches
- Consolidate business transactions
- Connect your company for online synchronisation

Manage who will use synchronisation features

You can decide which users can do different tasks related to synchronisation.

- **Do Synchronisation** - You can allow or disallow a user to perform data synchronisation from the client or server company.
- **View Synchronisation Reports** - You can allow or disallow a user to view synchronisation reports.
- **Manage Synchronisation Rule** - You can allow or disallow a user to create/alter/delete the client or server rules at the client or server company.

To allow selective rights to users, you need to specify their rights using security level when creating users. For more information on adding/removing the tasks to the required security level, see Assigning Security Level.

Share masters between branches

You can create masters at the head office, warehouse or any branch, and share with other branches. For this, at the client you need to define the masters that it will receive and send. Then, send these rules to the server, so that the server can validate the data before accepting.

6.4 FINALISATION ENTRIES (INDIA)

The Audit Journals report provides the required Audit Journal Voucher which can be used to pass the Finalisation Entries.

1. Go to **Gateway of Tally > Audit & Compliance > Audit Journals > F7: Audit Jrnl**. The Journal Voucher appears with the flag **Finalisation** as shown below:
2. Select the required Ledger and specify the required Amount for Dr field and press **Enter**.
3. Select the required Ledger for Cr field and press **Enter**.
4. Specify the **Narration** if any and press **Enter**.
5. Press **Y** or **Enter** to Accept the transaction. The total number of Vouchers passed with Finalisation Flag will be displayed in the Audit Journal Vouchers report
6. Select the required Voucher.
 - Press **Enter** to provide **Audit Details** for the selected Voucher.
 - Click on **Enter: Disp Vch** or press **Alt+Enter** to view the Voucher.
 - Click on **Ctrl+Enter: Alt Vch** or press **Ctrl+Enter** to Alter the Voucher.
7. Press **Ctrl+F** to **Find Audit Note** .

6.5 TALLY AUDIT

Audit is an important function of any business organization, it denotes that the business has True and Fair transactions during the year. TallyPrime has an inbuilt feature- Tally Audit which enables the auditor to perform an audit or track changes that affect the integrity of a

transaction, such as changes made to Date, Ledger Masters and Amounts in the Voucher are reflected in the Tally Audit Listings.

Enable Tally Audit Features

You have to enable the Security Controls, **Tally Audit** feature while creating a company. You can use the administrator login id or create a user with **Tally Audit** access by selecting Audit Listings in respective security levels.

To enable **Tally Audit**

1. Go to **Gateway of Tally** > press **Alt+K** (Company) > **Alter**.
2. In the **Company Alteration** screen, set **Enable Tally Audit features** to **Yes**

The auditor / administrator can display or print the Tally Audit Listing and verify the transactions made. In case the auditor /administrator is satisfied with the authenticity of the transaction or the changes made, he will accept all or selective transactions by clicking the relevant button. Once the transactions are accepted, they are removed from the audit listing and will not be displayed again.

Audit Listing for Voucher Types

You can perform audit for voucher types created for your company.

To display the **Tally Audit Statistics** for Voucher Types:

1. Go to **Gateway of Tally** > **Display More Reports**> **Statement of Accounts** > **Tally Audit** > **Voucher Types**.
2. The Audit Statistics screen showing the audit statistics based on Voucher Types is displayed as shown, where the Entered and Altered voucher's count are displayed in columnar format.

Types of Audit Reports Opinions

There are four different types of audit report opinions that can be issued by the company's auditor based on the analysis of the company's financial statements. It includes Unqualified Audit Report, Qualified Audit Report, Adverse Audit Report, and Disclaimer Audit Report.

Audit Report is the basis for determining the financial capacity and quality of the company. Also, one can consult the audit report in measuring the company's performance for the given fiscal year based on which investors will rely on the company and invest their money to enhance their returns.

Top 4 Audit Report Opinion Types

In the modern corporate world, based on the below audit opinion, types of the audit report are determined:

Sr No.	Opinion	Type of Audit Report
1	UnQualified Opinion	Clean Report
2	Qualified Opinion	Qualified Report
3	Disclaimer of Opinion	Disclaimer Report
4	Adverse Opinion	Adverse Audit Report

Let's understand each audit report opinion types with an example:

#1 – Clean Report

It is the most common opinion given by the auditors and always expected by the auditee. In this type of audit report, the advice given by the auditor will be unqualified, without any adverse comments or any disclaimer about any clauses or process. As per the auditor, by this report, they are satisfied with the company's performance and finding its functions in sync with governance and applicable statute.

Example: HSBC Bank-Calendar Year 2018- Unqualified/Clean Audit Report

In our opinion, HSBC ("The Company") Group financial statements and parent company financial statements:

- Give a true and fair view of the state of the company's affairs on December 31, 2018 and the company's profit and **cash flows for the year** then ended;
- Have been prepared under the requirements of the Companies Act 2006, and complying requirements of the Group financial statements, Article 4 of the IAS Regulation; and
- Have been properly prepared under UK GAAP and IFRSs as adopted by the European Union.

#2 – Qualified Opinion

This type of audit report, an auditor gives when he is not confident about any specific process or transaction, based on which they are not in the position to issue Clean/**Unqualified Opinion**. Investors and organizations do not accept a qualified opinion as it creates a negative impression.

Example: General Format in the UK as per UK GAAP or IFRS

In our opinion, except for the effects of the matter described in the basis for **qualified opinion section**, the financial statements:

- Give an accurate and fair view of the state of the company's affairs as of December 31, 2018 and its profit for the year ended;

- Have adequately been prepared following the United Kingdom Generally Accepted Accounting Practice / IFRSs as adopted by the European Union; and
- Have been prepared under the requirements of the Companies Act 2006.

A Basis for Qualified Opinion

The notes to the financial statements do not disclose that one of the company's directors, John Smith, controls ABC Ltd., from which the company purchased goods and services during the year of xxx. Such disclosure is required by IFRS 102 / IFRSs as adopted by the European Union].

We have audited as per International Standards on Auditing (UK) (ISAs) and applicable law. We are independent of the company under the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#3 – Disclaimer Report

Disclaimer reports by **auditors** distance them from giving any opinion on the financial statements. The main reason for providing the disclaimer of opinion can be reasons like putting a limitation on the scope of the auditors, not obtaining satisfactory explanation and not being able to determine the true nature of transactions, not obtaining sufficient **audit evidence**, etc. This kind of audit opinion is considered very harsh and creates a negative image.

Example General Format in the UK as per UK GAAP or IFRS

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for the disclaimer of the opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

A Basis for Disclaimer of Opinion

We can also not confirm the bank balance (including overdraft) and **interest payable** thereon since statutory authorities freeze the accounts because of the non-deposition of the statutory dues. As a result, the facility ceased to operate, and they reported the same matter in the previous year.

In addition, we were unable to verify by alternative means **balance of accounts receivable** and balance of accounts payable and corresponding gain or loss, if any of these

balances is not recorded for the year ended December 31, 2018 and reported the same matters in a previous year.

#4 – Adverse Audit Report

An auditor gives an adverse report when he is not satisfied with the financial statements, or there is a high level of material misstatements, irregularities that can breach the trust of investors and the government. Qualified reports are considered the auditor's primary weapon, which they can use as public accountability. As a responsible professional, the auditor can attract the public's attention about any non-acceptable approach the companies accept.

Example: General Format in the UK as per UK GAAP or IFRS

In our opinion, because of the lacking of the information mentioned in the basis for the **Adverse Opinion** paragraph, the financial statements do not present the information required by the Companies Act 2006 as required and also do not give a true and fair view in line of the UK GAAP or IFRS that state of affairs of the company as on December 31, 2018 and its profit/loss and cash flow for the year ended on that date.

A Basis for Adverse Opinion

The company's borrowings have matured, and the outstanding amount is payable on March 31, 2019. The company cannot take loans, and there are chances of defaulting. These events indicate a material uncertainty about its ability to continue its going concern assumption. Therefore, there are high chances of realizing funds from the sale of assets and paying out its liabilities to continue the business. The **financial statements** (and notes) do not disclose this fact.

6.6 TYPES OF AUDIT

As a brief recap, an audit examines your financial records and transactions to verify they are accurate. Typically, audits look at your financial statements and accounting books to compare information.

You or your employees may conduct audits. Or, you might have a third party audit your information (e.g., IRS audits).

Many business owners have routine audits, such as once per year. If you are not organized or don't keep thorough records, your audits might take more time to complete.

Types of auditing can vary from business to business. For example, a construction business might conduct an audit to analyze how much they spent on a specific project (e.g., costs for contractors or supplies).

Overall, audits help ensure your business is operating smoothly. So, what are the various types of audit?

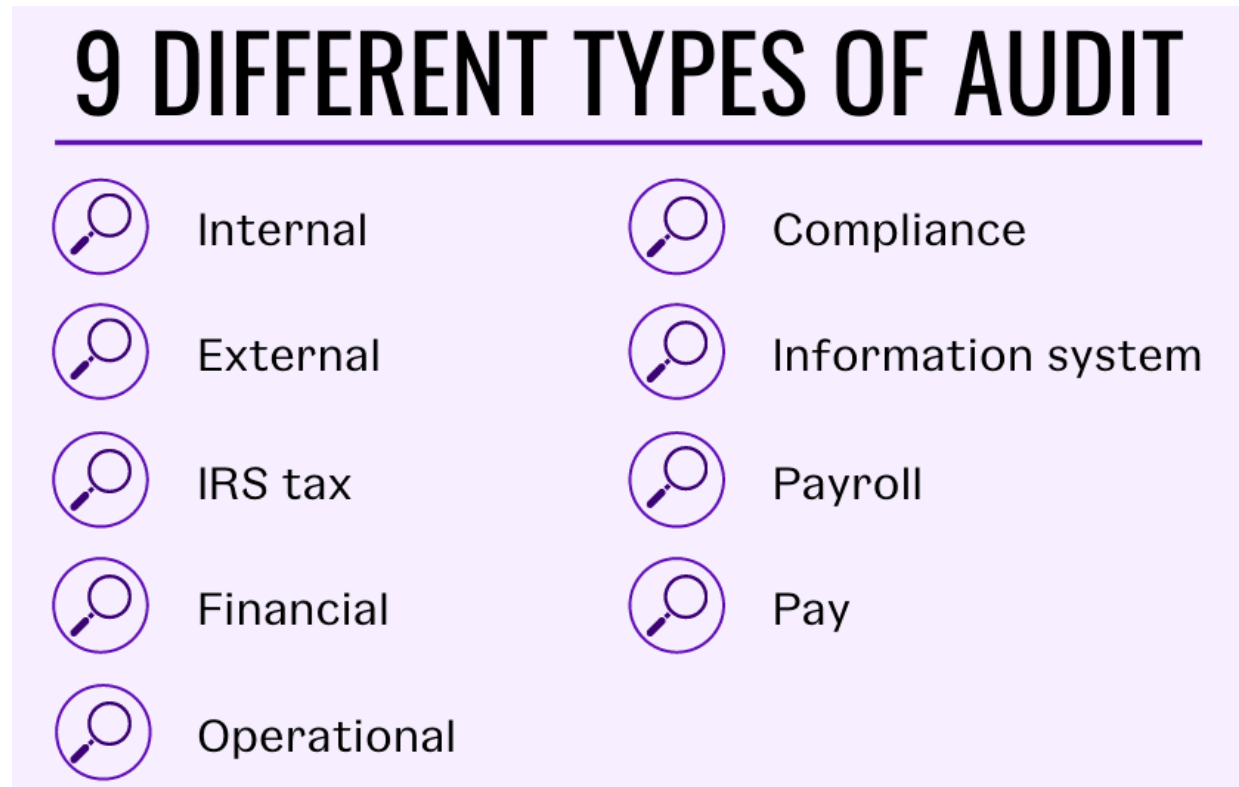


Fig:6.1 9 Different types of audit

1. Internal audit

Internal audits take place within your business. As the business owner, you initiate the audit while someone else in your business conducts it.

Businesses that have shareholders or board members may use internal audits as a way to update them on their business's finances. And, internal audits are a good way to check in on financial goals.

Although there are many reasons you may conduct an internal audit, some common reasons include to:

- Propose improvements
- Monitor effectiveness
- Make sure your business is compliant with laws and regulations
- Review and verify financial information

- Evaluate risk management policies and procedures
- Examine operation processes

2. External audit

An external audit is conducted by a third party, such as an accountant, the IRS, or a tax agency. The external auditor has no connection to your business (e.g., not an employee). And, external auditors must follow generally accepted auditing standards (GAAS).

Like internal audits, the main objective of an external audit is to determine the accuracy of accounting records.

Investors and lenders typically require external audits to ensure the business's financial information and data is accurate and fair.

Audit reports

When your business is audited, external auditors usually give you an audit report. Audit reports include details of the audit process and what was found. And, the report includes whether your financial records are accurate, missing information, or inaccurate.

3. IRS tax audit

IRS tax audits are used to assess the accuracy of your company's filed tax returns. Auditors look for discrepancies in your business's tax liabilities to make sure your company did not overpay or underpay taxes. And, tax auditors review possible errors on your small business tax return.

Auditors usually conduct IRS audits randomly. IRS audits can be conducted via mail or through in-person interviews.

4. Financial audit

A financial audit is one of the most common types of audit. Most types of financial audits are external.

During a financial audit, the auditor analyzes the fairness and accuracy of a business's financial statements.

Auditors review transactions, procedures, and balances to conduct a financial audit. After the audit, the third party usually releases an audit opinion about your business to lenders, creditors, and investors.

5. Operational audit

Operational audits are similar to internal audits. An operational audit analyzes your company's goals, planning processes, procedures, and operation results.

Generally, operational audits are conducted internally. However, an operational audit can be external.

The goal of an operational audit is to fully evaluate your business's operations and determine ways to improve them.

6. Compliance audit

A compliance audit examines your business's policies and procedures to see if they comply with internal or external standards.

Compliance audits can help determine whether or not your business is compliant with paying workers' compensation or shareholder distributions. And, they can help determine if your business is compliant with IRS regulations.

7. Information system audit

Information systems audits mostly impact software and IT companies. Business owners use information system audits to detect issues relating to software development, data processing, and computer systems.

This type of audit ensures the system provides accurate information to users and makes sure unauthorized parties do not have access to private data.

Also, IT and non-software businesses should regularly conduct mini cybersecurity audits to ensure their systems are secure from fraud and hackers.

8. Payroll audit

A payroll audit examines your business's payroll processes to ensure they are accurate. When conducting payroll audits, look at different payroll factors, such as pay rates, wages, tax withholdings, and employee information.

Payroll audits are typically internal. Conducting internal payroll audits helps prevent possible external audits in the future.

Businesses should conduct internal payroll audits annually to check for errors in their payroll processes and remain compliant.

9. Pay audit

Pay audits allow you to identify pay discrepancies among your employees.

A pay audit can help you spot unequal pay at your company. During a pay audit, analyze things like disparities due to race, religion, age, and gender.

Pay audits can also help you ensure workers are paid fairly based on your business's industry and location.

Importance of audits

You must conduct audits regularly to understand different aspects of your business. And, audits can help catch issues early on before they snowball into big mistakes. If you don't conduct audits, you may find yourself reviewing inaccurate information, which can impact your business later.

Before you kick the idea of audits to the curb, think about how they can benefit your small business. Audits can help you:

- Find financial problems
- Catch errors
- Boost your business's bottom line
- Stay organized
- Make better business decisions

6.7 HOW TO DRAFT THE REPORTS ON TALLY

Reports play an important role for businesses to help manage their day-to-day business operations efficiently. Understanding this need, Tally.ERP 9 provides many insightful reports. Reports in Tally.ERP 9 is designed to suit all the aspects of accounting management, inventory management and statutory.

Key accounting reports in Tally.ERP 9 for businesses are

Balance Sheet in Tally.ERP 9

The Balance Sheet gives a complete glance at the financial position of a business. The Balance Sheet in Tally.ERP 9 shows the assets and liabilities of a company. From the Gateway of Tally screen, a business owner can access the Balance Sheet. The Balance Sheet can be configured using F12 configuration in Tally.ERP 9. Tally.ERP 9 also offers Schedule VI Balance Sheet for businesses. The Balance Sheet can be viewed for any given dates. Multiple valuation types are given for defining stock valuations such as FIFO, LIFO, Average Cost, Average Price and many more.

Profit & Loss Account in Tally.ERP 9

The Profit & Loss report in Tally.ERP 9 shows a company's net profit or loss in a given period. By default, this Tally report considers the period starting from the date when the books begin to the entry date of the last voucher. The Profit & Loss report in Tally.ERP 9 can be configured with F12 configuration available within the report. A business owner can see Schedule VI Profit & Loss account or P&L statement in a vertical format based on the requirements.

Cash Flow/Fund Flow Report in Tally.ERP 9

The Cash Flow report in Tally.ERP 9 has been provided to help get a view of cash inflow and outflow during an accounting period. This report makes it easy for business owners to understand the cash flow situation for a specific period and helps make decisions.

Similarly, the Fund Flow report in Tally.ERP 9 provides details on the sources of funds and their net flow status on a monthly basis.

Ratio Analysis Report in Tally.ERP 9

The Ratio Analysis report is a powerful report for financial analysis in Tally.ERP 9. The multiple ratios in the report give a clear understanding of the financial position of a business. These are Debt Equity Ratio, Quick Ratio, return on Working Capital, Return on Investment and so on. This is one of the key Tally reports.

Outstanding Report in Tally

A business owner can see receivables ledger-wise and bill-wise in Tally.ERP 9. He can see ageing analysis which can be applied based on due dates or as per the bill dates. Based on the time that has passed (ageing), a business can accordingly connect with parties or manage funds to make payments. With the bill wise ageing details, the user can see and understand the details of bills for which payment is pending.

Inventory Reports in Tally.ERP 9

Stock Summary Report in Tally.ERP 9

The Stock Summary report displays the current position of stocks or stock in hand for a particular date. From this Tally report, a business owner can view item-wise rates, quantity and value of stocks available. The Stock Summary report in Tally.ERP 9 also enables business owners to view gross profit at each item level based on landing cost and sales price. It also shows the status of stocks available across various godowns. The user can see the net stock position by considering purchase and sales orders which are yet to be processed.

Stock Ageing Analysis Report in Tally.ERP 9

This report in Tally.ERP 9 helps businesses understand their slow moving goods versus fast moving goods. This Tally report helps business owners to make decisions based on procurement of stocks, or whether to liquidate stocks based on their age. Tally.ERP 9 gives the flexibility to define various periods like 0-30 days, 31-60 days and so on based on business requirement. Business owners can see stock valuations as well from within this report.

Statutory Reports in Tally.ERP 9

GST Reports in Tally.ERP 9

In GST, Tally.ERP 9 provides GSTR-1, GSTR-2, GSTR-3B and e-Way Bill related reports. The GSTR-1 report in Tally.ERP 9 is designed exactly as the form of GSTR-1 to make life easy for users.

Business owners can see -

- Details of transactions participating in GSTR-1
- Transactions not relevant for returns
- Transactions not participating because of incomplete information or mismatches
- Serial number-wise details of values as mentioned in GSTR-1

A user can navigate from any value up to the actual transaction itself. Users can correct transactions under Incomplete/mismatch in the Information section and allow these transactions to participate in GST returns. This way, Tally ensures that a user files the most accurate GST returns. A similar experience is given for GSTR-2 and GSTR-3B.

E-Way Bill Reports in Tally.ERP 9

Tally.ERP 9 gives comprehensive e-Way Bill reports to make life simpler for users. A user can view

- Transactions which have been exported for e-Way Bills
- Transactions which are yet to be exported for e-Way Bills
- e-Way Bill details of all the transactions for which e-Way Bills have already been generated.

Apart from all of the above mentioned Tally reports, there are many more reports in Tally.ERP 9 all of which help businesses to access their financial analysis in the easiest manner and take quick business decisions.

6.8 TALLY AUDIT CONTROL

The **Control Centre** works as an interface between the user and Tally.ERP 9 installed at different sites. It enables the user to centrally configure and administer sites or users belonging to an account.

Use Tally.ERP 9 Remotely

You can securely access your Tally.ERP 9 from anywhere to record transactions, or view reports when working from a client's office, or other remote locations. All you need at the remote location is a Tally.ERP 9 installation, and an internet connection. In your office you need to have a valid Tally.ERP 9 license, an active TSS, an internet connection, and your

company connected to Tally.NET services. Server and remote systems must have the same release of Tally ERP 9.

Anywhere, Any Tally.ERP 9 Installation : You can access your Tally.ERP 9 companies from anywhere using even a Tally.ERP 9 in Educational Mode, and an internet connection. When your employees are at clients' locations, they can view the stock availability and commit delivery dates to the clients, or check the pending receivables from the clients. This will ensure availability of the latest details at that moment.

Security and Control : You have complete control on who can access your companies, and which features are available to the user. Further, your data will always be in your computer. Whenever a user connects to your company, based on the access permissions you have provided, the user can access the required features. If your employee is at a client's place and want to print an invoice or purchase order placed by the client, it can be done. However, the employee will not view your financial reports unless you have given the permission. If you want to check your financial reports when you are away from your office, you can use any computer with a Tally.ERP 9 installation and view the reports.

Record or Alter Vouchers : The user with the required permissions can create or alter vouchers. If you or your employee meets a supplier, and strike a favourable deal, a purchase order can be raised immediately from your Tally.ERP 9 company.

Audit Accounts : You can allow your auditor to do verification of your books using remote access. For this, you just need to allow remote access to your company for the auditor's Tally.NET ID. Like you or your employees logging in to the company, auditor also can log in and do the work.

Print Reports and Vouchers : Users can open a voucher or report, and print it at the remote location. When your employee is at a client's place to collect receivables, after collection a receipt can be recorded and a voucher can printed for the client.

Easy Setups : Connect your company, and allow users to access your company from anywhere. Note that only users with valid Tally.NET IDs are allowed to access your company remotely. Your account ID (e-mail ID used to activate your license) is a valid Tally.NET ID. You can create Tally.NET IDs for users who need to log in to Tally.ERP 9 remotely, allow access to these IDs. Similarly, you can allow your accountants or auditor who have their Tally.NET IDs to log in remotely.

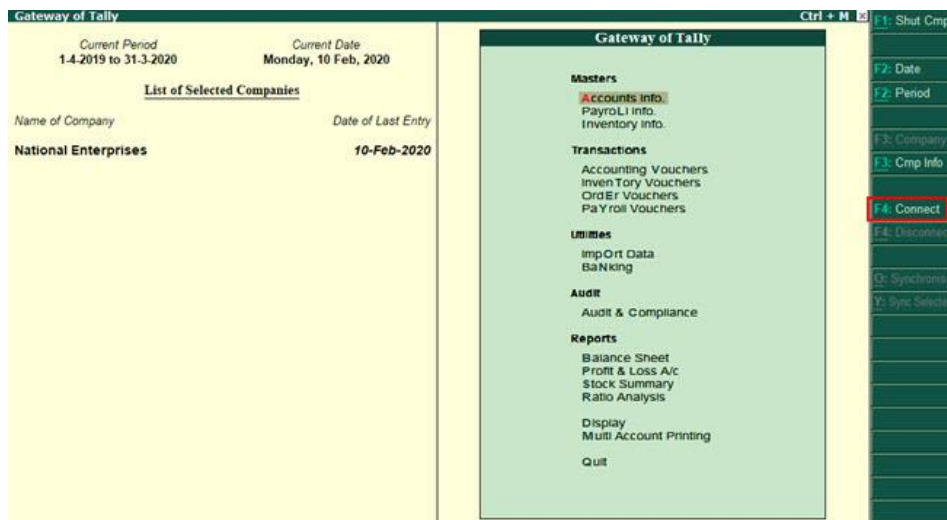
Get Started with Remote Access

To allow remote access to your company, you need to enable the feature. You can allow access to Tally.NET IDs to access your company remotely. You need to connect your companies to Tally.NET services to allow users to log in remotely.

Connect Company to Tally.NET services

You can decide when to connect your company for users to access remotely, and disconnect the same when it is not needed. You need to have internet connection on the computers where Tally.ERP 9 is installed.

1. Go to **Gateway of Tally** , click **F4: Connect** .



- a. If you have enabled security control for your company, move to step 2.

In case you have not enabled security control for your company, Tally.ERP 9 will prompt you for the same.

- o In the **Security Control** screen, the option **Use security control** is set to **Yes** .
- o Provide the administrator details. This login credential is for the company data.

Security Control	
(Enable security to connect this company online)	
Company Name	: National Enterprises
Use security control	? Yes
Name of administrator	: admin
Password	: *****
Repeat password	: *****
(Password strength: Good)	

2. Provide report access to Tally.NET users.



- a. Click **Yes** to add Tally.NET users and allow remote access.
- b. Select the **Security Level** as **Tally.NET Owner** . Click [here](#) to know more about creating Security Levels.
- c. In **Username/Tally.NET ID**, enter a valid Tally.NET ID for which you want to give access.

Note: You can check for valid Tally.NET IDs on the [Tally portal](#), by logging in with account administrator's e-mail ID. You can also create more Tally.NET IDs, if needed. Click [here](#) to know more about creating Tally.NET IDs.

List of Users for Company					
Name: National Enterprises					
Security Level	Username / Tally.NET ID	Password (if any)	Allow Browser Access	Allow Remote Access	Allow Local TDL Files
Tally.NET Owner	gautham.m20@gmail.com		Yes	No	No
Tally.NET User	jatin.m@gmail.com		Yes	No	No

Accept ?
Yes or No

Once the company is connected, a sign (c) appears against the company name in the List of Selected Companies in the Gateway of Tally.

Gateway of Tally		Gateway of Tally	
Current Period 1-4-2019 to 31-3-2020	Current Date Monday, 10 Feb, 2020		
List of Selected Companies		Masters	
Name of Company	Date of Last Entry	Accounts Info, Payroll Info, Inventory Info.	
National Enterprises	(c) 10-Feb-2020	Transactions Accounting Vouchers Inventory Vouchers Order Vouchers	

Authorised users can log on to the Tally portal, and use the connected company.

Log in to Tally.ERP 9 from anywhere

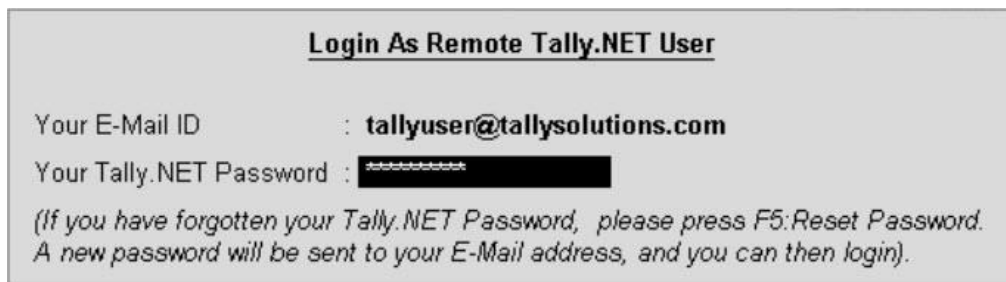
In Tally.ERP 9 at the remote location, log in using your Tally.NET ID and password.

1. Go to **Company Info. > Login as Remote User**, if you are using a licensed version of Tally.ERP 9 at the remote location.

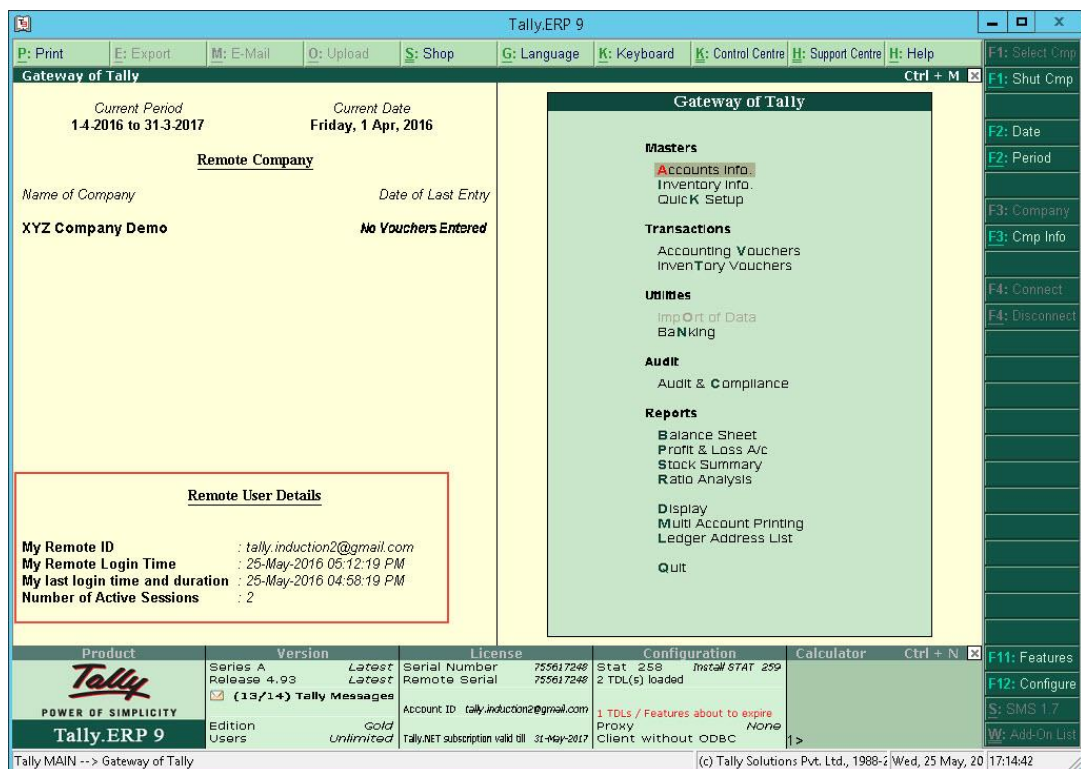
If you are using Educational Mode in the remote location, start Tally.ERP 9 > in the **Startup** screen, select **Login as Remote Tally.NET User**.

Note: In case the company is loaded during startup, click **F1: Shut Company**. Then, select **Company Info. > Login as Remote User**.

2. Enter your Tally.NET ID and password.



3. Select the required remote company. On successful authentication, the remote user details are displayed in the Gateway of Tally screen. The Remote Serial number is displayed in the License section of the information panel.



The selected company is available for use based on the access rights given to you.

Once a remote session is created in the Tally.NET server, a unique identification number is assigned to it, and the session remains valid till the user logs out. A remote user can access only one company data at a time.

Manage Access Rights of Users

You can add many Tally.NET users, and allow them to access Tally.ERP 9 companies remotely. You can also decide who can access which feature.

In this section

Create Tally.NET IDs

You can create Tally.NET IDs directly on the Tally portal. Alternatively, you can create using Control Centre in Tally.ERP 9. Click here to know more about creating Tally.NET users.

Once the Tally.NET IDs are created, you need to allow remote access to your company for these users. Then they can log in from anywhere and use your company.

Allow users to access your company remotely

You can allow many users to access your company remotely. Based on your Tally.ERP 9 edition , number of concurrent users will vary.

1. Go to Gateway of Tally > F3 : Cmp Info > Security Control > Users and Passwords .
2. Select the Security Level as Tally.NET Owner , Tally.NET User , or Tally.NET Auditor . You can also create Security Levels, if needed. Click here to know more about creating security levels.
3. In Username/Tally.NET ID , enter the required Tally.NET ID.
4. Set the option Allow Remote Access to Yes , and accept.
5. Set the option Allow Local TDL to Yes to allow the remote user to access local TDLs.

List of Users for Company					
Name: National Enterprises					
Security Level	Username / Tally.NET ID	Password (if any)	Allow Browser Access	Allow Remote Access	Allow Local TDL Files
Tally.NET Owner	gautham.m20@gmail.com		Yes	No	No
Tally.NET User	jatin.m@gmail.com		Yes	No	No

Accept ?
Yes or No

- In case you need to disallow remote access for this company for a user, set **Allow Remote Access** to **No** .

These users can access your company remotely, whenever the companies are connected.

Create Security Levels to provide limited access to your company

You can create multiple Security Levels to manage user access to different features in Tally.ERP 9. If Tally.NET IDs are added under such Security Levels, you can control who can access which feature remotely. Click [here](#) to know more about creating security levels.

Add Tally.NET IDs under this Security Level to allow these users to access your company. Click [here](#) to know more about allowing users to access your company remotely.

Once the Tally.NET IDs are created, you need to allow remote access to your company for these users. Then they can log in from anywhere and use your company.

Manage Company for Remote Access

You have complete control and flexibility on the company setting for remote access, including when the access is needed.

- Enable/Disable remote access for your Company
- Disconnect Company
- Connect/Disconnect multiple companies
- Connectivity Status report in Tally.ERP 9

Enable/Disable remote access for your Company

You can enable or disable remote access to your company as per your needs.

- Go to **F11: Features** > **F4: TSS Features** to check your settings. If you have already enabled remote access, you will see that **Connect to Tally.NET Services** is set to **Yes** .
- If you need to disable remote access, set the option to **No** .

The screenshot shows the 'TSS Features' window for 'National Enterprises'. It is divided into three sections: 'Connection Details', 'Connectivity Features', and 'SMS Access Details'. In the 'Connectivity Features' section, the option 'Connect to Tally.NET Services (for remote access, synchronisation, SMS)' is highlighted with a red box and has a 'Yes' button selected. Other options include 'Connect for browser access' (Yes), 'Connect company on loading' (No), 'Enable SMS access' (No), and 'Company name for SMS' (?). The bottom of the window features a navigation bar with function keys: F1: Accounts, F2: Inventory, F3: Statutory, F4: TSS, F5: Audit, and F6: Add-Ons.

Company: National Enterprises	
TSS Features	
Connection Details	
Connect name	: National Enterprises
Name of contact person	: Rajesh
Contact number	: 9000112345
Connectivity Features	
Connect for browser access	? Yes
Connect to Tally.NET Services (for remote access, synchronisation, SMS)	? Yes
Connect company on loading	? No
SMS Access Details	
Enable SMS access	? No
Company name for SMS	?

F1: Accounts F2: Inventory F3: Statutory F4: TSS F5: Audit F6: Add-Ons

Disconnect Company

When there is no need for users to access your company remotely, you can disconnect the company.

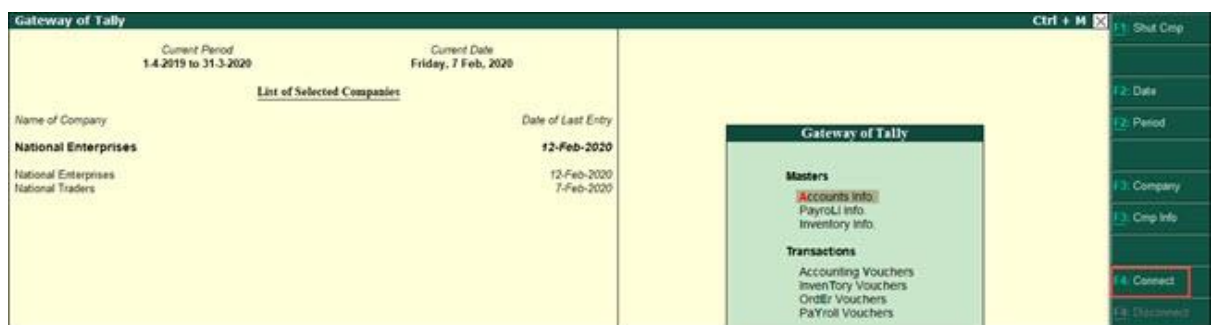
- Click F4: Disconnect .

When you disconnect a company in Tally.ERP 9, the status of the company changes to offline on the Tally portal.

Connect/Disconnect multiple companies

When you have more than one company open in Tally.ERP 9, you can connect any or all of these companies at once. Ensure that the companies have security enabled and Tally.NET IDs are added to give access to your companies remotely before using multiple company connect functionality. You need to have internet connection on the computer where Tally.ERP 9 is installed.

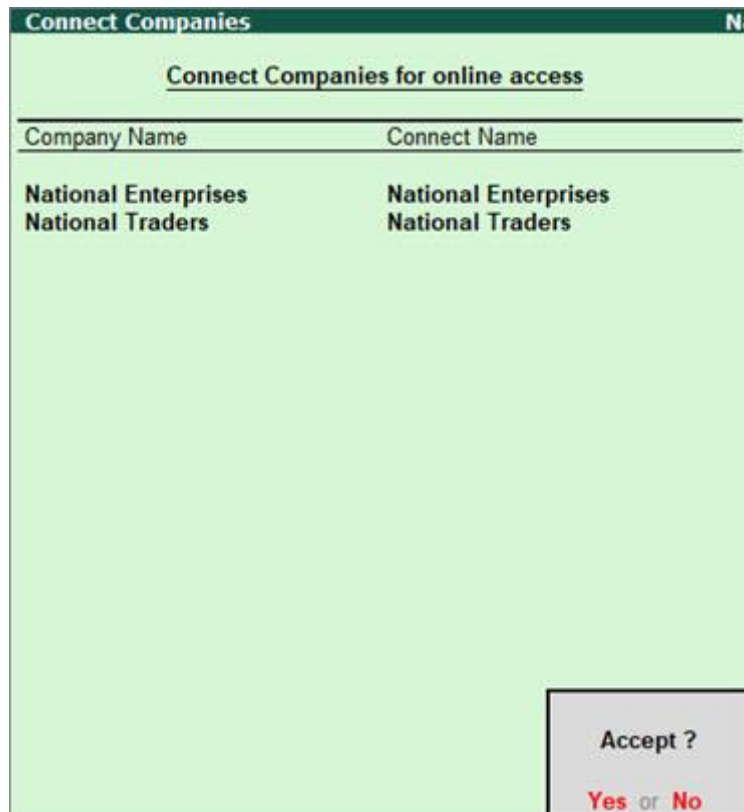
1. Open all the required companies.



2. Click **F4: Connect** .



3. In the **Connect Companies** screen, select the companies one by one.



4. Press **Enter** to connect. You can see the connection success message for each company in the calculator panel.

When multiple companies are connected, you can disconnect many connected companies at once.

- Press **Alt+F4** to disconnect the companies.
- In the **Disconnect Companies** screen, select the companies to disconnect and accept.

Connectivity Status report in Tally.ERP 9

This report gives you details of all the companies connected for Browser Access and Tally.NET Services. This report is active when at least one company is connected.

1. Go to **Gateway of Tally > F3: Cmp Info** .
2. Select **Connectivity Status** .

List of Companies with Connectivity Status			
Company Name	Connect Name	Connected for Browser Access	Connected to Tally.NET Services
National Enterprises	National Enterprises	Yes	No

The **Connectivity Status** report displays the company name, the company's connect name, and the status of connection for Browser Access and Tally.NET Services.

6.9 UNIT END QUESTIONS

A. Descriptive Questions

Short answer questions

1. Define Tally audit.
2. Explain the concept of Tally Audit.
3. Describe Data Security.
4. How you can explain Data Security. Short-cuts keys, Data synchronization, Finalization entries.
5. Explain Data synchronization.

Long answer questions

1. Explain Finalization entries.
2. Explain the Data Security and Audit.
3. Describe the concept of Tally Audit. Explain the types of Audits.
4. Explain how to draft reports.

B . Multiple Choice Questions

1. Which is Any activity for which a separate measurement of cost is desired?
 - a. Cost object
 - b. Cost unit
 - c. Cost-system
 - d. Cost per minute
2. Which is known as the technique and process of ascertaining the costs of activities, processes, products or service.
 - a. Costing
 - b. Cost accounting
 - c. Cost centre
 - d. Cost method

3. Which is the application of accounting and costing principles, methods and techniques in the ascertainment of costs and the analysis of variance?

- a. Cost Accounting
- b. Management Accounting
- c. Costing
- d. Financial Accounting

4. Which is engaged in production activity by conversion of raw material into finished production?

- a. Production cost centre
- b. Process cost centre
- c. Impersonal cost centre
- d. Production unit

5. Which is a quantitative unit of a product or service in relation to which costs are ascertained?

- a. Cost unit
- b. Monetary unit
- c. Service unit
- d. Product unit

Answers: 1. a, 2. a, 3. a, 4. a, 5. a.

6.10 REFERENCES

Reference Books:

- Garg, S. (2021). *Tally.ERP 9 in Simple Steps*. BPB Publications.
- Jha, S. (2021). *Learn Tally in 20 Hours*. BPB Publications.
- Dubey, S. K. (2021). *Mastering Tally.ERP 9*. BPB Publications.
- Sahay, P. (2021). *Tally.ERP 9 with GST*. BPB Publications.
- Krishna, G. K. (2021). *Tally ERP 9.0 (With GST)*. Khanna Book Publishing.

Web Resources:

- Tally Solutions. (n.d.). <https://www.tallysolutions.com>

- Tutorials Point. (n.d.). <https://www.tutorialspoint.com/tally>
- TallySchool. (n.d.). <https://www.tallyschool.com>
- Tally ERP9 Tutorial. (n.d.). <https://tallyerp9tutorials.com>
- Learn Tally.ERP 9. (n.d.). <http://www.learntallyerp9.com>