

SOFTWARE SOLUTIONS TO ACCOUNTING

B.Com
Semester-V

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B.Com: SOFTWARE SOLUTIONS TO ACCOUNTING

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FOREWORD

Since its establishment in 1976, Acharya Nagarjuna University has been forging ahead in the path of progress and dynamism, offering a variety of courses and research contributions. I am extremely happy that by gaining 'A' grade from the NAAC in the year 2016, Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels apart from research degrees to students from over 443 affiliated colleges spread over the two districts of Guntur and Prakasam.

The University has also started the Centre for Distance Education in 2003-04 with the aim of taking higher education to the door step of all the sectors of the society. The centre will be a great help to those who cannot join in colleges, those who cannot afford the exorbitant fees as regular students, and even to housewives desirous of pursuing higher studies. Acharya Nagarjuna University has started offering B.A., and B.Com courses at the Degree level and M.A., M.Com., M.Sc., M.B.A., and L.L.M., courses at the PG level from the academic year 2003-2004 onwards.

To facilitate easier understanding by students studying through the distance mode, these self-instruction materials have been prepared by eminent and experienced teachers. The lessons have been drafted with great care and expertise in the stipulated time by these teachers. Constructive ideas and scholarly suggestions are welcome from students and teachers involved respectively. Such ideas will be incorporated for the greater efficacy of this distance mode of education. For clarification of doubts and feedback, weekly classes and contact classes will be arranged at the UG and PG levels respectively.

It is my aim that students getting higher education through the Centre for Distance Education should improve their qualification, have better employment opportunities and in turn be part of country's progress. It is my fond desire that in the years to come, the Centre for Distance Education will go from strength to strength in the form of new courses and by catering to larger number of people. My congratulations to all the Directors, Academic Coordinators, Editors and Lesson-writers of the Centre who have helped in these endeavors.

*Prof. Raja Sekhar Patteti
Vice-Chancellor
Acharya Nagarjuna University*

A.P. State Council of Higher Education
Semester-wise Revised Syllabus under CBCS, 2020-21

Course Code:

Four-year B.Com. (Hons)
Domain Subject: **COMMERCE**
IV Year B. Com. (Hons) – Semester – V

Max Marks: 100

Course 17- A. SOFTWARE SOLUTIONS TO ACCOUNTING
(Skill Enhancement Course (Elective), 4 Credits)

I: Course Learning Outcomes

After completing the course, the student shall be able to:

At the end of the course, the student will able to;

1. Understand the technical environment of accounting softwares.
2. Highlight the major accounting softwares in India.
3. Apply basics of accounting softwares into business firms for accounting transactions.
4. Understand the various versions of Tally and other softwares.
5. Integrate the concept of different Accounting softwares for accounting purpose
6. Design new approaches for use of accounting software environment.

II. Syllabus: Total 75hrs (Teaching 60, Training10, Others 05 including IE etc.)

Unit-1: Computerized Accounting

Microsoft Excel Spread Sheet- Functions in Excel- Preparation of Accounts, Statements and Budgets using MS Excel- Analysis and Interpretation.

Unit-II: Introduction to Leading Accounting Softwares - Busy - Marg – Quick Books - Zoho Books -Tally- Features and Accounting.

Unit-III: Tally ERP-9 - Company Creation -Tally Startup Screen- Gateway of Tally- Create a Company - Alter & Delete company- Backup and Restore- Security Features in Tally.

Unit-IV: Tally- Accounting Masters- Groups- Create Ledgers- Alter& Delete - Inventory Masters- Creating Stock Groups - Stock Items- Unit of Measurement- Alter & Delete.

Unit- V: Tally-Voucher Entry -Vouchers Types - Vouchers Entry - Alter and deleting Settings Purchase Vouchers and Sales Vouchers including Tax component –Reports Generation.

III: References

1. Nadhani, Ashok K, Tally ERP 9 Training Guide, BPB Publications
2. Tally 9 in Simple Steps, Kogent Solutions Inc., John Wiley & Sons.
3. Tally 9.0 (English Edition), (Google eBook) Computer World
4. Tally.ERP 9 Made Simple Basic Financial Accounting by BPB Publisher.

5. Tally ERP 9 For Real Time Accounting by Avichi Krishnan
6. Fundamentals of Computers, by V. Rajaraman, PHI.
7. Tally ERP 9 book advanced user, Swayam Publication (www.tallyerp9book.com)
8. *Web resources suggested by the Teacher concerned and the College Librarian including reading material*

IV. Co-Curricular Activities

A. **Mandatory** (student training by teacher in related real time field skills: total 10 hours):

1. **For Teachers:** Training of students by the teacher (using actual field material) in classroom and field for a total of not less than 10 hours on techniques in Computerized Accounting, working with Accounting Software. Train the students in Computerized Accounts with selected Accounting software.
 - a. Working with Excel-Spread sheet calculations and tabulation Lab Practice (Ref. unit-1)
 - b. Working with any accounting software- analyze the special characters (ref. unit-2)
 - c. Company Creation Lab Practice-(ref. unit-3)
 - d. Creating Masters in Tally with a given Company- Lab Work .Lab Work (ref. Unit 4)
 - e. Voucher Entry for Given Transactions- Generation of Reports for a given Company Lab Work (ref.Unit.5)
2. **For Student:** Each student has to visit at least one business organization dealt with Computerized Accounting. Collect data relating to the business transactions and practice in college computer lab. Each student has to prepare one System based accounting during the semester. They shall write their observations and submit a Fieldwork/Project work report, not exceeding 10 pages, to the teacher in the given format.
3. Max marks for Fieldwork/Project work Report: 05
4. Suggested Format for Fieldwork/Project work (not more than 10 pages): Title page, student details, Contents, objective, step-wise work done, findings, conclusions and acknowledgements.
5. Unit tests (IE).

B. Suggested Co-Curricular Activities

1. Training of students by a related field expert.
2. Assignments including technical assignments like Working with Excel & Tally
3. Seminars, Conferences, Discussions by inviting concerned institutions
4. Field Visit
5. Invited lectures and presentations on related topics

V. Suggested Question Paper Pattern:

Max. Marks 75

Time: 3 hrs

SECTION - A (Total 25 marks)

Answer any FIVE Questions (5×5 Marks)

SECTION - B (Total 50 marks)

Answer any FIVE Questions (5×5 Marks)

OUT OF EIGHT Questions COVERING ALL UNITS

(502BCE21)

MODEL QUESTION PAPER

B.Com. (General) DEGREE EXAMINATION,

Third Year – Fifth Semester

Part II – Commerce

Paper VI – SOFTWARE SOLUTIONS TO ACCOUNTING

Time: Three hours

Max. Marks: 70

SECTION A – (5 x 4 = 20 marks)

Write a short answer for any FIVE of the following.

Each question carries 4 marks.

1. How to Insert/Delete rows in Excel?
Excel లో అడ్డు వరుసలను Insert/Delete చేయడం ఎలా?
2. Explain features of ZOHO Books.
ZOHO Books యొక్క లక్షణాలను వివరించండి.
3. How to Create a Company in Tally?
Tally లో కంపెనీని ఎలా సృష్టించాలి?
4. How to create unit of measurement in Tally?
Tally లో కొలత యూనిట్ ని ఎలా సృష్టించాలి?
5. Explain Receipt Voucher in Tally.
Tally లో రసీదు వోచర్ ని వివరించండి.
6. How to create a Ledger in Tally?
Tally లో లెడ్జర్ ను ఎలా సృష్టించాలి?
7. Explain Gateway of Tally.
గేట్ -వే ఆఫ్ ట్యాలీని వివరించండి.
8. Explain Security features in Tally.
ట్యాలీలో భద్రతా ఫీచర్లను వివరించండి.

SECTION B – (5 x 10 = 50 marks)

Answer the following questions.

Each question carries 10 marks.

9. (a) Explain any ten functions in MS Excel.
MS Excel లో ఏవైనా పది ఫంక్షన్లను వివరించండి.
Or
(b) Briefly explain statements and budgeting using MS Excel.
MS Excel ని ఉపయోగించే స్టేట్మెంట్లు మరియు బడ్జెట్ ను క్లుప్తంగా వివరించండి.
10. (a) Explain the features and advantages of Tally in Accounting.
అకౌంటింగ్ లో టాలీ యొక్క లక్షణాలు మరియు ప్రయోజనాలను వివరించండి.
Or
(b) Briefly explain about Quick books and Zoho books.
Quick books మరియు Zoho books గూర్చి క్లుప్తంగా వివరించండి.
11. (a) How to Create/Alter/Delete a company in Tally.
టాలీలో ఒక కంపెనీని ఏ విధంగా Create/Alter/Delete చేస్తావు?
Or
(b) Explain the functions and objectives of Tally ERP9.
Tally ERP 9 యొక్క విధులు మరియు లక్ష్యాలను వివరించండి.
12. (a) How to Creating Stock Group and Stock items in Tally?
టాలీలో స్టాక్ గ్రూప్ మరియు స్టాక్ వస్తువులను ఎలా సృష్టించాలి?
Or
(b) What is a ledger? Explain Multi-Ledger creation in Tally.
లెడ్జర్ అంటే ఏమిటి? టాలీలో బహుళ లెడ్జర్ సృష్టిని వివరించండి.
13. (a) What is a voucher? Explain different types of vouchers in Tally.
వోచర్ అంటే ఏమిటి? టాలీలో వివిధ రకాల వోచర్లను వివరించండి.
Or
(b) Discuss the trading and profit loss accounting reports.
వర్తక లాభ నష్టాల ఖాతా నివేదికలు గూర్చి చర్చించండి.

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Lesson – 1

INTRODUCTION TO COMPUTERIZED ACCOUNTING

Objective:

1. Understanding Computerized Accounting: Explain the concept of computerized accounting and its advantages over manual accounting.
2. History and Evolution: Provide an overview of the history and evolution of computerized accounting systems.
3. Components: Identify the key components of a computerized accounting system.
4. Implementation Process: Describe the steps involved in implementing a computerized accounting system in an organization.
5. Benefits and Challenges: Discuss the benefits and potential challenges associated with computerized accounting.

Structure:

- 1.1 Introduction:
- 1.2 Key Features of Computerized Accounting
- 1.3 Popular Computerized Accounting Software:
- 1.4 Implementation Considerations:
- 1.5 Accounting Information system:
- 1.6 Various Users having Interest in accounting information:
- 1.7 Qualitative Characteristics of Accounting Information
- 1.8 Keywords:
- 1.9 Reference:

1.1 Introduction:

Computerized accounting refers to the use of computers and accounting software to manage financial transactions, maintain records, and generate reports. This method has revolutionized traditional accounting by enhancing accuracy, efficiency, and accessibility. Here's an overview of what computerized accounting entails:

Meaning of Computerized Accounting:

- Computerized Accounting system means an accounting information system that processes all financial transactions of the business following the widely accepted accounting principles to generate reports as required.
- It is a database based on application where the transaction are stored in an organized form.

Characteristics of Computerized Accounting Software:

- This System helps in data inputting online.
- In this, all the financial transaction related to the business are recorded and stored in a fully devided database.
- In this, the financial statements are processed directly from the collected data.
- In this, the opening and closing balances of each account are stored in the database.
- In this, Method purchase and sales invoices are prepared very easily.
- The business owner can access various report whenever he wants.

Manuals Accounting System:

- Such as Accounting System in which all the functional transactions related to the business are written by the manual in the primary books of accounting, after that the balances of the accounts are drawn in various accounts according to the rules, after that with their help the trail balance is made and with the help of the trail balance, the final balance is made.
- Accounts (trading and profit and loss account, Balance sheet) are prepared, it is called Human/ Manual Accounting.

Difference Between Manual Accounting And Computerized Accounting

Basis for Comparison	Manual Accounting	Computerized Accounting
Meaning	Manual Accounting is a system of accounting that uses physical registers and account books for keeping financial records.	Computerized accounting is an accounting system that uses an accounting software ,for recording financial transactions electronically.
Recording	Recording is possible through book of original entry	Data content is recorded in customized database.
Calculation	All the calculation is performed manually	Only data input is required, the calculation are performed by computer system
Speed	Slow	Comparatively Faster
Back Up	Not possible	Entries of transactions can be saved and backed up

1.2 Key Features of Computerized Accounting

1. Automation of Processes:

- Reduces manual data entry by automating repetitive tasks like billing, invoicing, and ledger maintenance.
- Minimizes errors associated with manual calculations and data entry.

2. Real-Time Data Processing:

- Allows for instant updates and real-time access to financial information.
- Facilitates timely decision-making based on current data.

3. Enhanced Accuracy:

- Decreases human error by using precise software calculations.
- Ensures consistent data entry and record-keeping standards.

4. Efficient Data Management:

- Enables easy storage, retrieval, and modification of financial data.
- Provides robust data management features such as sorting, filtering, and searching.

5. Comprehensive Reporting:

- Generates detailed financial reports like balance sheets, income statements, and cash flow statements.
- Customizable reporting options to meet specific business needs.

6. Integration Capabilities:

- Integrates with other business systems such as inventory management, payroll, and customer relationship management (CRM).
- Streamlines operations across different departments.

Advantages of Computerized Accounting:

1. Time-Saving:

- Speeds up accounting processes, allowing accountants to focus on more strategic tasks.

- Quick generation of financial statements and reports.
- 2. Cost-Effective:**
 - Reduces costs related to manual bookkeeping and paper records.
 - Decreases the need for physical storage space.
- 3. Improved Accuracy:**
 - Enhances data precision and reduces the likelihood of errors.
 - Ensures compliance with accounting standards and regulations.
- 4. Better Data Security:**
 - Protects sensitive financial information through data encryption and access controls.
 - Regular backups safeguard against data loss.
- 5. Scalability:**
 - Easily scalable to accommodate growing business needs.
 - Suitable for businesses of all sizes, from small enterprises to large corporations.

Disadvantages of Computerized Accounting:

1. Training Cost:

Computerized accounting system can be operated only by a person with special knowledge of accounting system and proficient in computer. The cost of training of such a person is also high.

2. High Installation Cost:

Not only computers and printers are required to perform accounting operations with this method, but new hardware and software also have to be purchased which costs more.

3. Security Problem:

In this accounting method, the stored data gets deleted when a virus enters the system. Along with this, data can be easily changed in it, which is also very difficult to retrieve.

4. Possibility of Failure:

In this accounting system there is always a possibility of the system to fail. In this, in case of hardware failure; the whole system pays off, which also effect the accounting works.

5. Protest by the Employees:

When computerized accounting system is adopted in the institutes, it is opposed by the employees working in the institute because they fear that they will have to lay off and lose their job.

6. Bad effects on Health:

Continuous use of computer has adverse effect on manual health, especially on eyes, back pain and joint pain.

1.3 Popular Computerized Accounting Software:

1. QuickBooks:

- Widely used by small and medium-sized businesses.
- Offers features like invoicing, expense tracking, and payroll management.

2. Sage 50 (formerly Peachtree):

- Known for robust accounting and financial management capabilities.

- Suitable for small to medium-sized enterprises.

3. Xero:

- Cloud-based accounting software popular among small businesses.
- Provides real-time financial data and collaboration features.

4. Microsoft Dynamics GP:

- Comprehensive enterprise resource planning (ERP) solution.
- Ideal for larger organizations with complex accounting needs.

5. Zoho Books:

- Online accounting software with a user-friendly interface.
- Integrated with other Zoho applications for a seamless business experience.

6. Tally Prime:

- Online accounting software with a user-friendly interface.
- It has Comprehensive Financial Management and Inventory & Management

1.4 Implementation Considerations:

1. Choosing the Right Software:

- Assess business needs, budget, and scalability requirements before selecting software.
- Consider user reviews and industry-specific features.

2. Training and Support:

- Provide adequate training for employees to ensure effective use of the software.
- Ensure access to reliable customer support and resources.

3. Data Migration:

- Plan for a smooth transition from manual or old systems to the new software.
- Ensure accurate data migration and reconciliation.

4. Regular Updates:

- Keep the software updated to benefit from the latest features and security enhancements.
- Regular updates ensure compliance with changing regulations and standards.

In conclusion, computerized accounting streamlines financial management by automating processes, enhancing accuracy, and providing real-time data access. With the right software and implementation strategy, businesses can achieve significant improvements in their accounting operations.

1.5 Accounting Information system:

- Accounting information system is a system by which accounting report related to the business are made available to the parties related to the business.
- Accounting Information system refers to the process in which the data day-to-day financial transactions of the organization are collected and their lawful accounting is done and by converting the information of this data, it is necessary to provide necessary information to the internal and external parties.

Types of Accounting Information:

1. Income Related Information:

The Income earned by the organization in a given period is called income related information. This information is obtained from the profit and loss account or income statement of the organization.

2. Information of Financial Position:

Information about the position of the institution on a given date is called information of balance sheet of that institution about the financial condition, payment capacity etc., of the institution can be obtained.

3. **Production Related Information:**

Information about the cost, quantity, operating expenses etc., of the goods produced is included in this. This information is obtained from the construction account of the organization, in large institutions its information is obtained from the cost accounts.

4. **Information Related to Human Resources:**

The Number of employees working in the organization, salary payable to them, expenditure on their welfare, allowance, bonus, health, security related information are included in this.

1.6 Various Users having Interest in accounting information:

- In the current changing business scenario, today many types of people are interested in the information related to financial accounting of the institutions,
- These various parties interested in accounting information can be divided into the following two categories for the convenience of study:
 1. Internal Parties
 2. External Parties

1. **Internal Parties:**

Such parties who make their direct contribution for the smooth functioning of the institutions are called internal parties. These parties run the organization efficiently by taking decisions regarding the conduct of the business by estimating the profit of the organization for a certain period.

Owner:

The person who starts the institution is called the owner of that institution. The owner is most interested in accounting information because on the basis of this information, he takes decisions regarding the conduct of business by estimating the profit of the organization for a certain period.

- **Management:**

Accounting information is a feedback to the management to conduct its work smoothly in the interest of business. Management determines the credit policy, sales and production policy of the business only after analyzing the information and keeps control over the employees working in the enterprise.

- **Employees:**

The officers and employees working in the enterprise use the relevant information only to achieve the set objectives of the enterprise. The determination of their salary, promotion, bonus and working conditions depend on the basis of accounting information only.

B. External Parties:

Those persons and organizations which do not have direct relation with the business but still have interest in that business are called external parties. The following are the outside parties interested in accounting information-

Investors:

An investor is said to be a person or institution who invests his extra money in the form of capital or loan in any institution. The investor makes sure that not only will he get adequate dividend and interest on his money, but his money will also be safe by analyzing the accounting and interest information of that business before investing money.

Suppliers and Creditors: Supplier is the person and organization that supplies the goods, it is also interested in accounting information because it analyzes the information received and finds out when and how to supply the goods to the organization. Similarly, creditors also provide goods and services on credit after studying the information and observing the profitability and repayment capacity of the institution.

Banks and Financial Institutions: Banks and financial institutions also study its accounting information before giving loan to the business and know what is its creditworthiness and liquidity position, only then it provides loan. Consumer: A consumer is a person who uses the product of the organization. He always wants to get the product at the lowest price, so he can see the accounting report of the organization to know at what price the product will be available to him. Consumers have a continuing interest over the results and economic condition of the organization.

Tax Department:

The tax department is also interested in the accounting information of the business entity because it calculates the tax by determining the income on the basis of the income statement and status statement of the business entity.

Government:

Central and State Governments are also interested in the accounting information of a business institution. It not only determines taxes on the basis of accounting reports but also controls business activities.

Researcher:

Researchers do their research on the economic activities of the business (profit-loss, purchase-sale, dividend rate, transfer in various reserves etc.) Accounting information is a mirror of the financial condition of any business organization. Therefore, it is especially useful for the researcher..

Stock Exchange:

If the shares of the company are listed, then the purchase and sale of such shares is done through stock exchange. In such a situation, the stock exchange is also interested in the accounting information of the organization. Because the value of the shares of such a company is affected by the accounting information.

1.7 Qualitative CharacteristicsOf Accounting Information

Comprehensive:

The user of accounting information ranges from an ordinary person to a subject matter expert, so accounting information should be simple, clear, concise, definite and easily understandable.

Reliability:

Accounting information should be reliable, for this it is necessary that the information should be based on original documents (such as purchase invoice, sales invoice) etc. and they are certified. Accounting information will not be reliable if it is intentionally used to know profit/loss to any person.

Significance or Suitability:

The accounting information should be relevant to the needs of different parties so as to facilitate proper decision making. Accounting information should be available in time so that on its basis it is convenient to take information about events related to past, future and present, to make future forecasts and to respond in this regard.

Complete:

Accounting information should be accurate and complete in itself. Incomplete accounting information is uncertain and redundant.

Fairness:

The accounting information must be objectively based on factual accounting. There should be no bias or contradiction in this information.

Management Information System and Accounting Information System "Management information system is an information system that provides accurate, timely and systematic information to management for decision making, establishing control, solving problems and monitoring activities."

Accounting information system refers to the process in which the data of day-to-day financial transactions of the organization are collected and their lawful accounting is done and by converting the information of this data, it is necessary to provide necessary information to the internal and external parties.

Difference between Management Information and Accounting Information:

Aspects	Management Information	Accounting Information
Purpose	Aids in decision-making, planning, and control within an organization.	Provides financial data and reports for internal and external stakeholders.
Focus	Primarily forward-looking and focuses on future planning.	Historical and compliance-focused, emphasizing past financial performance.
Users	Internal managers and executives.	Internal management and external stakeholders (investors, creditors, regulators).
Scope	Broader, includes financial and non-financial information.	Narrower, primarily financial data.
Reporting Frequency	Can be frequent (daily, weekly, monthly) as needed by management.	Typically periodic (monthly, quarterly, annually).
Regulation	Not regulated, tailored to internal needs and goals.	Highly regulated, must comply with accounting standards (GAAP, IFRS).
Level of Detail	Can be detailed and specific to certain segments or activities.	Summarized and standardized for consistency and comparison.
Type of Data	Includes both quantitative and qualitative data.	Primarily quantitative financial data.
Flexibility	Highly flexible, can be adjusted as per management requirements.	Less flexible, follows strict guidelines and frameworks.
Examples	Sales reports, budget forecasts, performance metrics, market analysis.	Income statements, balance sheets, cash flow statements, tax returns.
Time Horizon	Future-oriented, with a focus on strategic planning.	Past-oriented, with a focus on recording and reporting historical data.
Accuracy	May use estimates and projections; less emphasis on absolute accuracy.	Requires high accuracy and reliability in reported figures.

1.8 Keywords:

1. Efficiency: Computerized accounting streamlines financial processes, reducing manual errors and saving time.
2. Accuracy: Automated calculations ensure precise financial data, minimizing discrepancies and ensuring reliability.
3. Accessibility: Real-time access to financial information from anywhere, enhancing decision-making and collaboration.
4. Security: Enhanced data protection through encryption and access controls, safeguarding sensitive financial information.

1.9 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

Radha Krishna.V

Lesson - 2

INTRODUCTION TO EXCEL

Objective:

1. Overview of Excel: Introduce Microsoft Excel and its role in accounting and data analysis.
2. Basic Functions: Explain the basic functions and operations that can be performed in Excel.
3. Spreadsheet Basics: Describe the structure of an Excel spreadsheet, including cells, rows, columns, and sheets.
4. Data Entry and Formatting: Provide guidelines on entering data and formatting cells for better readability.
5. Use Cases in Accounting: Highlight common use cases of Excel in accounting tasks such as budgeting, forecasting, and financial reporting.

Structure:

- 2.1 Introduction
- 2.2 Why use Excel
- 2.3 Spreadsheet
- 2.4 Workbook
- 2.5 Excel's Structure
- 2.6 What are Excel Presentation Standards
- 2.7 Gridlines and Borders
- 2.8 Page Size, Date & Number Format
- 2.9 Charts for Data Visualization
- 2.10 Pie Chart
- 2.11 Keywords
- 2.12 Reference

2.1 Introduction:

Microsoft Excel is a spreadsheet developed by Microsoft for Windows, macOS, Android and iOS.

Excel is an incredibly powerful tool for making huge data meaningful. But it also works really well for simple calculations and tracking almost any kind of information. Excel organizes data in columns and rows and allows to do mathematical functions.

Its features include calculations, graphing tools, pivot tables, and a macro programming language called Visual Basic for Applications.

Excel is typically used for:

Data entry, Data management, Analysis, Accounting. Budgeting. Data analysis. Visuals and graphs, Programming. Financial modelling.

2.2 Why use Excel?

Excel is a versatile and powerful tool, it's important to note that for very large datasets or highly complex analyses, more specialized software like databases, statistical packages, or data visualization tools may be more appropriate. However, for almost all the everyday tasks and smaller-scale data management and analysis needs. Excel remains a valuable and accessible choice.

Microsoft Excel is a widely used spreadsheet software application that offers numerous benefits across various industries and professions. The following are some of the reasons everyone uses Excel

1. Data Organization:

Excel is excellent for organizing and structuring data. It allows users to input data into cells and arrange it in rows and columns, making it easy to view, manipulate, and analyze.

2. Calculations and Formulas:

Excel is equipped with powerful mathematical functions and formulas. Users can perform complex calculations, such as mathematical, financial, statistical, and logical operations, with ease.

3. Data Analysis:

Excel provides tools for data analysis, including pivot tables, charts, and data filtering. These features enable users to visualize data trends and patterns, making it easier to draw insights and make informed decisions.

4. Graphs and Charts:

Users can create a wide variety of charts and graphs to represent data visually. Excel's charting capabilities help in presenting information in a more understandable and persuasive way.

5. Budgeting and Financial Planning:

Excel is commonly used for budgeting, financial forecasting, and expense tracking. It allows individuals and businesses to manage their finances effectively.

6. Project Management:

Excel can be used for project planning and tracking tasks, timelines, and dependencies. It's a versatile tool for project managers and teams.

7. Inventory Management:

Businesses often use Excel to keep track of inventory levels, manage stock, and reorder products when needed.

8. Reporting and Dashboards:

Excel enables the creation of customized reports and dashboards, providing a snapshot of key metrics and performance indicators.

9. Data Validation:

Excel allows you to set rules and validations to ensure data accuracy and consistency, reducing errors in data entry.

10. Data Import and Export:

You can import data from various sources into Excel and export it to different formats, making it a valuable tool for data integration and exchange.

11. Time Tracking and Scheduling:

Excel can be used for time tracking, creating schedules, and managing appointments and deadlines.

12. Educational and Academic Use:

Students and educators often use Excel for various academic purposes, such as analyzing scientific data, conducting experiments, and solving mathematical problems.

13. Human Resources:

HR departments use Excel for tasks like employee data management, payroll calculations, and tracking employee performance.

14. Sales and Marketing:

Sales professionals and marketers use Excel for lead tracking, sales forecasts, and marketing campaign analysis.

15. Personal Finance:

Many individuals use Excel to manage personal budgets, track expenses, and plan for savings and investments.

16. Data Storage:

Excel can be used as a simple database for storing information, especially when the data volume is relatively small.

17. Customization:

Excel is highly customizable. Users can create templates, macros, and add-ins to tailor it to their specific needs.

18. Compatibility:

Excel is widely supported and can work seamlessly with other Microsoft Office applications and third-party software.

2.3 Spreadsheet:

A spreadsheet is a software application or program used for organizing, storing, manipulating, and analyzing data in a tabular form

- The data in a spreadsheet is typically arranged in rows and columns, forming a grid of cells.
- The key for unlocking all that potential is the grid of cells.
- Each cell can contain text, numbers, formulas, or functions, allowing users to perform various calculations, data analysis, and data visualization tasks.
- That allows us to add up our data, sort and filter it, put it in tables, and build good-looking and useful charts.

Spreadsheet is a concept or a process / software and MS Excel is one of the most popular Spreadsheet, which is widely used.

2.4 Workbook:

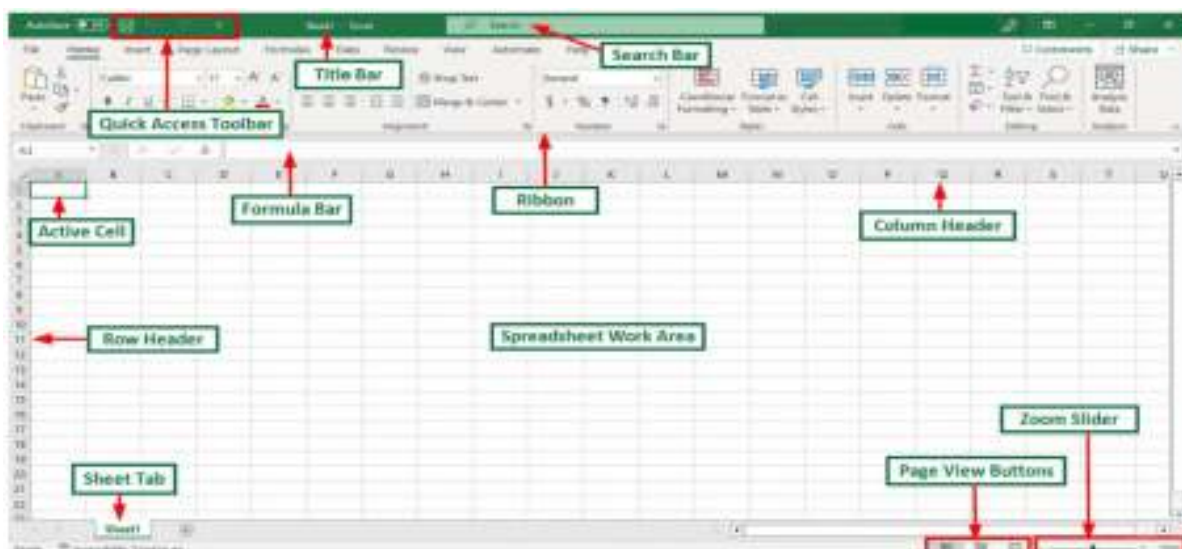
A workbook is a spreadsheet program file to be created in Excel by the user. A workbook contains one or more worksheets. In simple terms, an Excel File is also referred to as a workbook.

A worksheet consists of cells which is used to enter and calculate data. The cells are organized into columns and rows. A worksheet is a part of a workbook. We may also refer it as just 'Sheets'.

A workbook can contain many work sheets. Think of it as a book. The book (workbook/file) usually have many pages (worksheet). The Sheets are also called as Tabs.

See the image below to know how an excel spreadsheet looks like. It is made up of Columns (A,B,C..) and Rows (1,2,3...) and the intersection every row and column make a Cell, like A1 is the active cell.

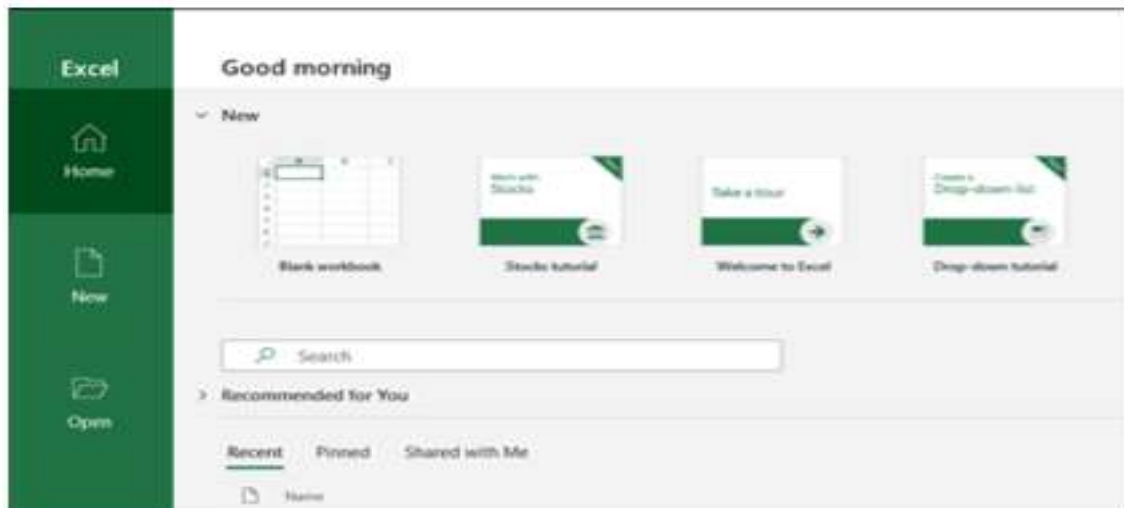
Just below the quick access toolbar, you can see File, Home, Insert and many more menu buttons as well.



Create a workbook:

1. Open Ms Excel.
2. Select Blank Workbook (or) Press Ctrl+N.

Ctrl Stands for Control and N Stands for New. Most of the key board shortcuts in Excel works with Ctrl or Alt.



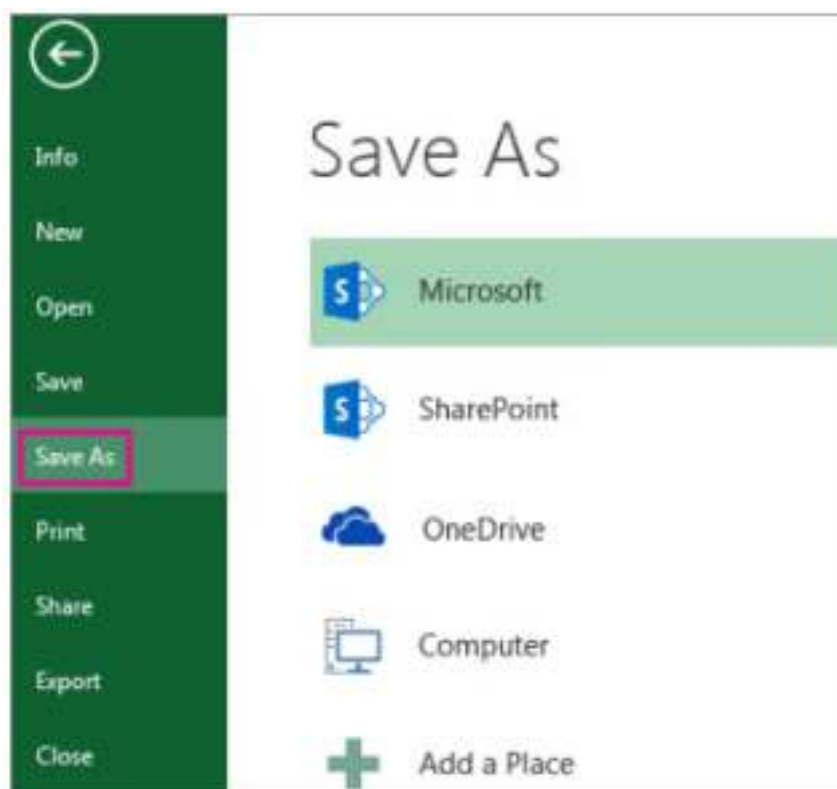
Save a workbook

Every time one works in an excel file, it must be saved to ensure that your work is saved and protected.

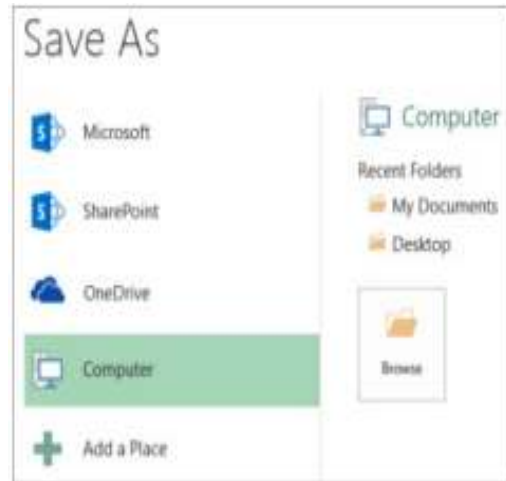
Press Ctrl + S to save an existing workbook in its current location.

We can use Save As to save the workbook in a different location, or to create a copy of the workbook in the same or another location.

1. Click File > Save As.



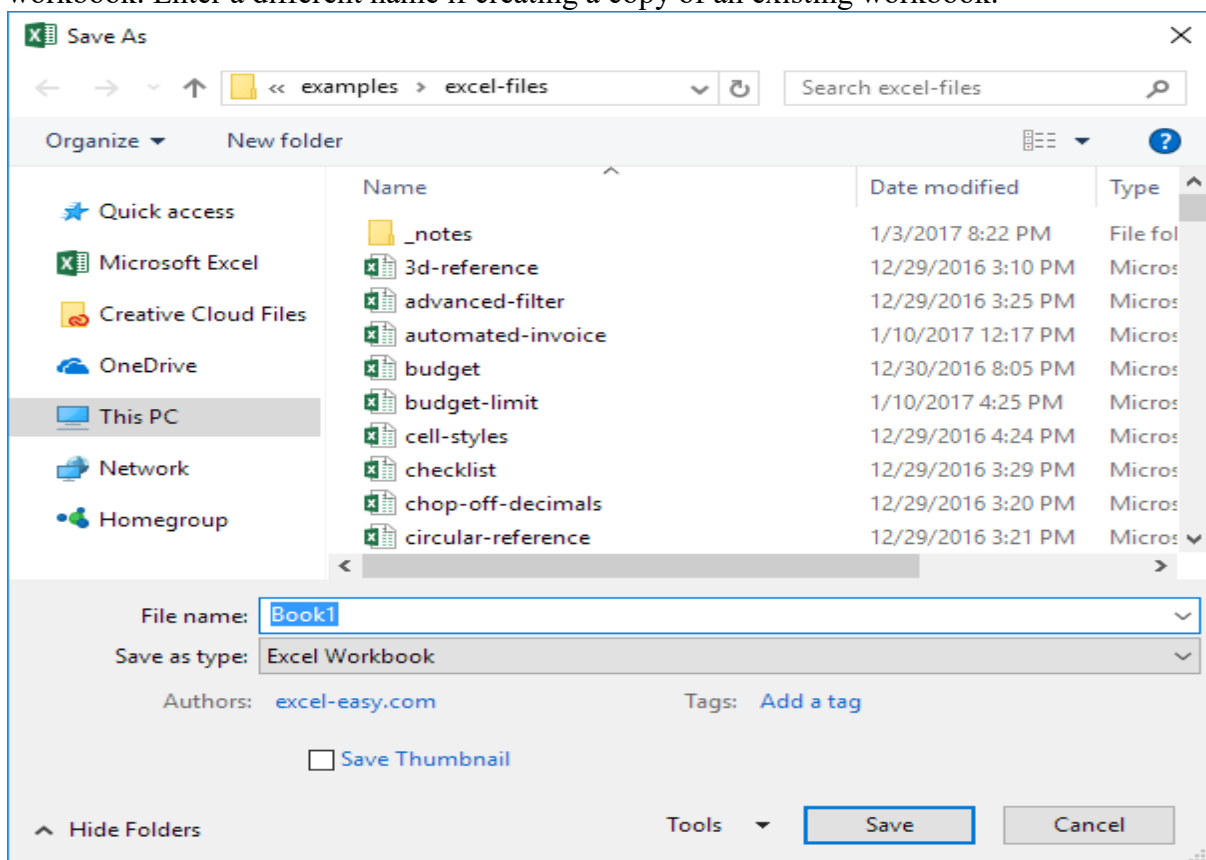
- Under Save as, pick the place where to save workbook.
For Example, to desktop or in a folder on computer, click computer.



- Click Browse to find the location in Documents folder.

To pick another location on computer, click Desktop, and then pick the exact place where to save workbook.

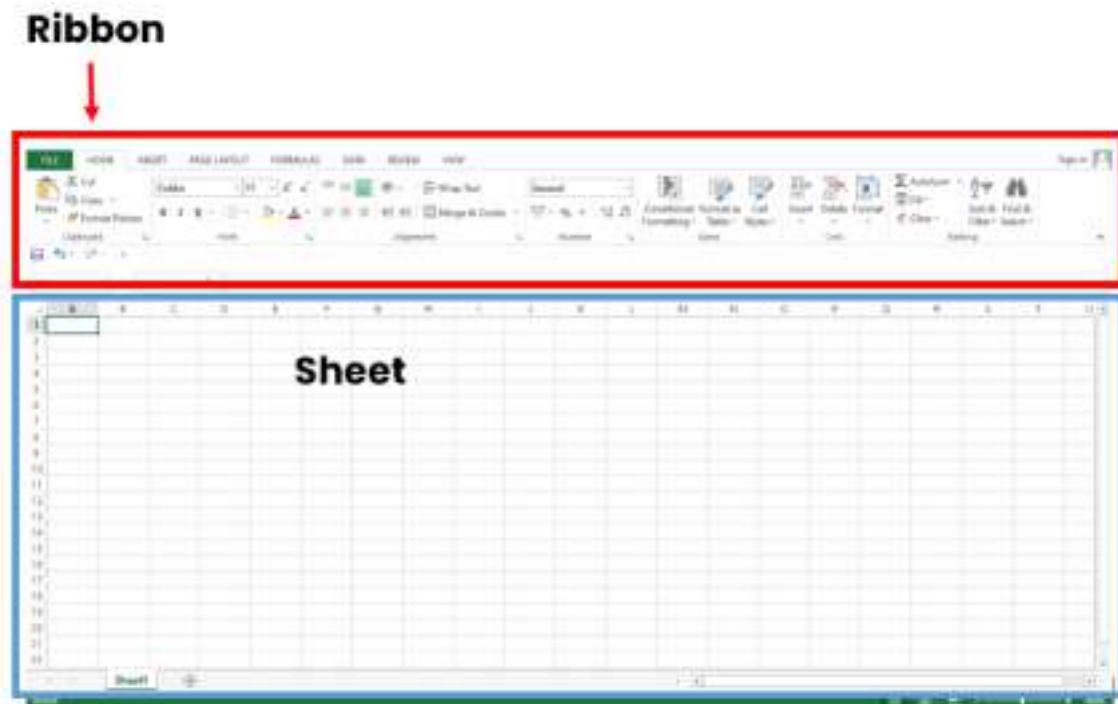
- In the File name box, enter a name for a new workbook. Enter a different name if creating a copy of an existing workbook.



- To Save workbook in a different file format (like .xlsx or .txt), in the save as type list (under the file name box),pick the format as required. Usually .xlsx is used.
- Click Save.

2.5 Excel's Structure:

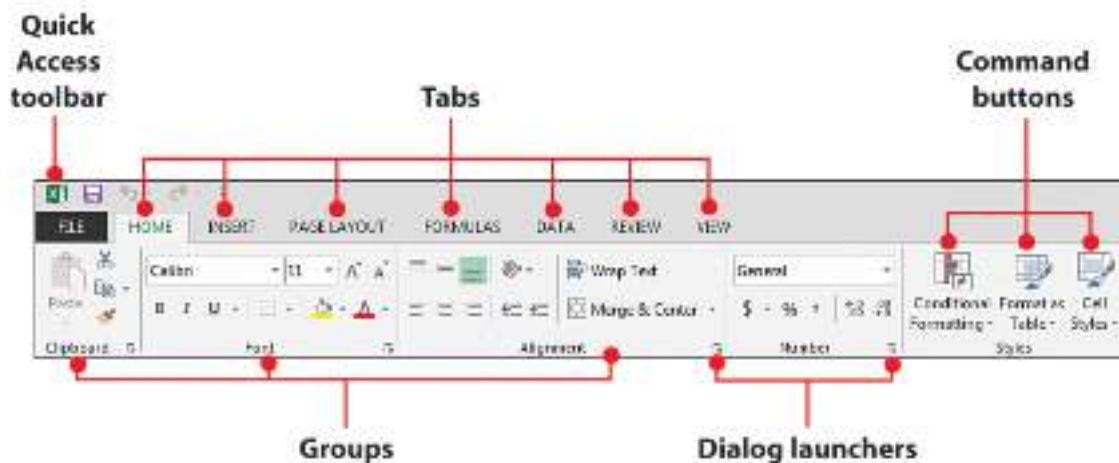
The Excel is made up of two portions, the ribbon and the sheet and has many parts. In the below picture we can seen clearly

**Ribbon:**

The Ribbon Contains all of the commands that needs to perform common tasks in Excel. It has multiple tabs, each with several groups of commands. The ribbon is used to navigate and access commands.

Sheet:

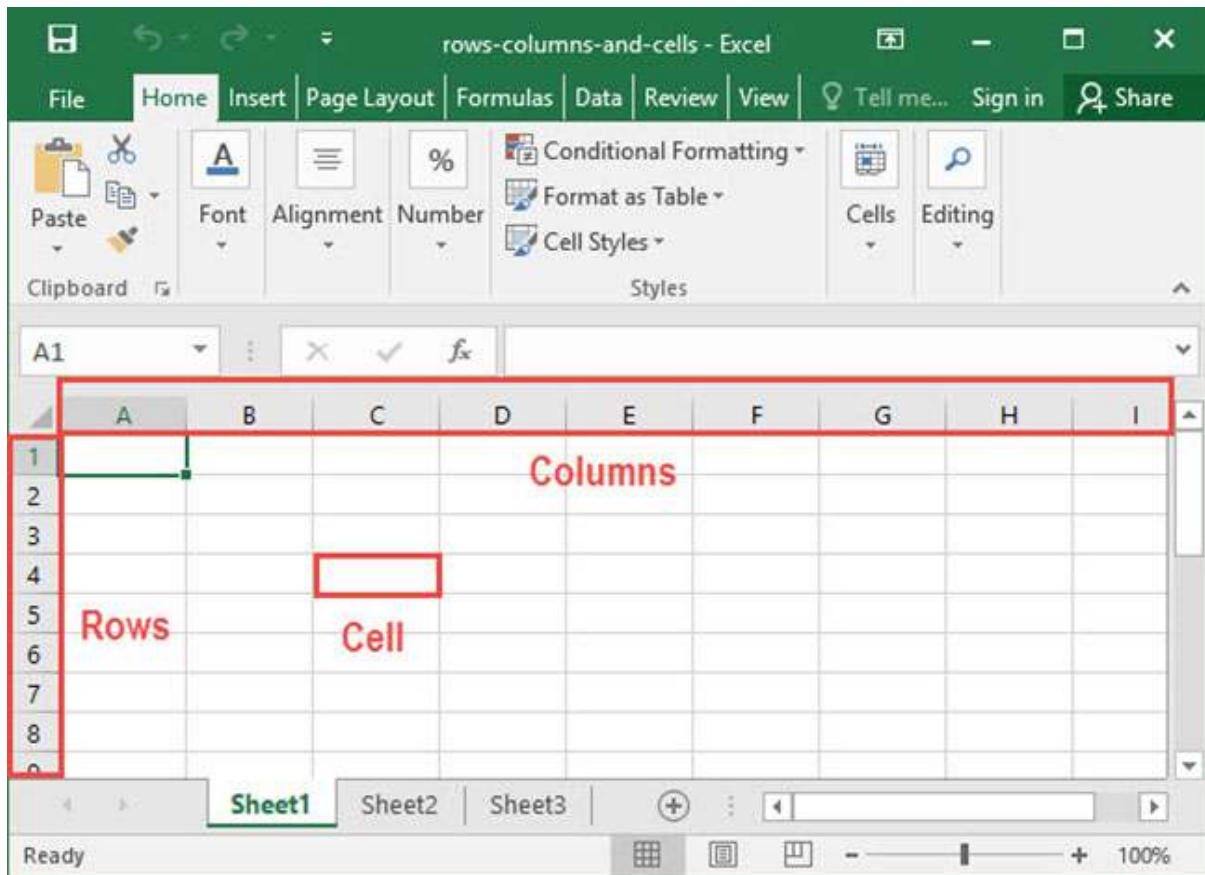
The Sheet is made up of columns (vertical) and rows (horizontal), which make cells.



Cell: Each rectangle in a workbook is called a cell. A cell is the intersection of a row and a column. Simply click to select a cell.

Row: A row is a group of cells that runs from the left of the page to the right. In Excel, rows are identified by numbers.

Column: A column is a group of cells that runs from the top of the page to the bottom. In Excel, columns are identified by letters.



The Sheet is a set of rows and columns. It forms the same pattern as in math exercise books, the rectangle boxes formed by the pattern are called cells. In the above image, the Cell has been selected.

Values can be typed to cells.

Values can be both numbers and letters:

Each cell has its unique reference, which is its coordinates, this is where the columns and rows intersect.

Mapping data in a cell:

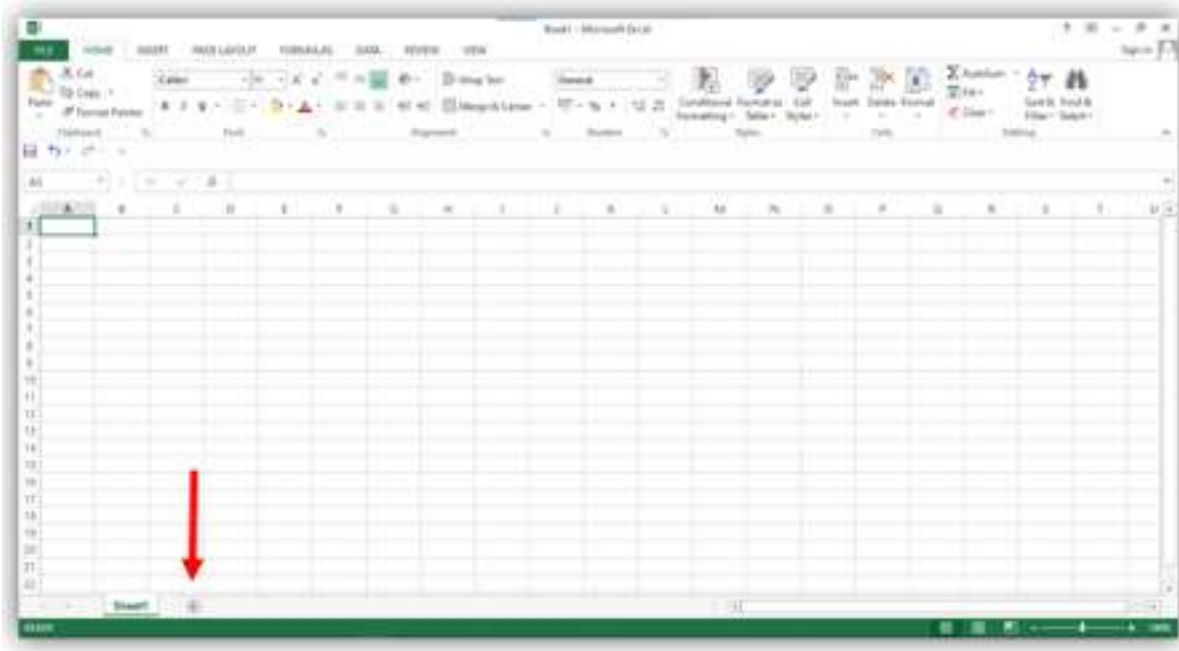
Hello FinC Minds was typed in cell . The reference can be found by clicking on the relevant cell and seeing the reference in the Name Box to the left, which tells that the cell's reference . Another way to find the reference is to first find the column, in this case C, then map that towards the row, in this case 3, which gives us the reference of C3. The letter is always the column and the number is always the row.

Multiple Sheets:

It starts with one Sheet by default when a new workbook is created. Many sheets in a workbook can be created. New sheets can be added and removed. Sheets can be named to making it easier to work with data sets.

Let's create two new sheets and give them useful names.

First, click the plus icon, shown in the picture below, and create new sheets:



2.6 What are Excel Presentation Standards?

Excel Presentation Standards are practices followed by an organization for the better presentation. Microsoft Office Excel has a number of features that make it easy to manage and analyze data. To take full advantage of these features, it is important to organize and format data in a worksheet. These practices vary from organization to organization and they follow a set of guidelines for better presentation.

Large organizations may have a standard formatting style, which means that every employee or the member should use the same formats like Font name, text size, color and others in all the company documents, presentations reports etc.

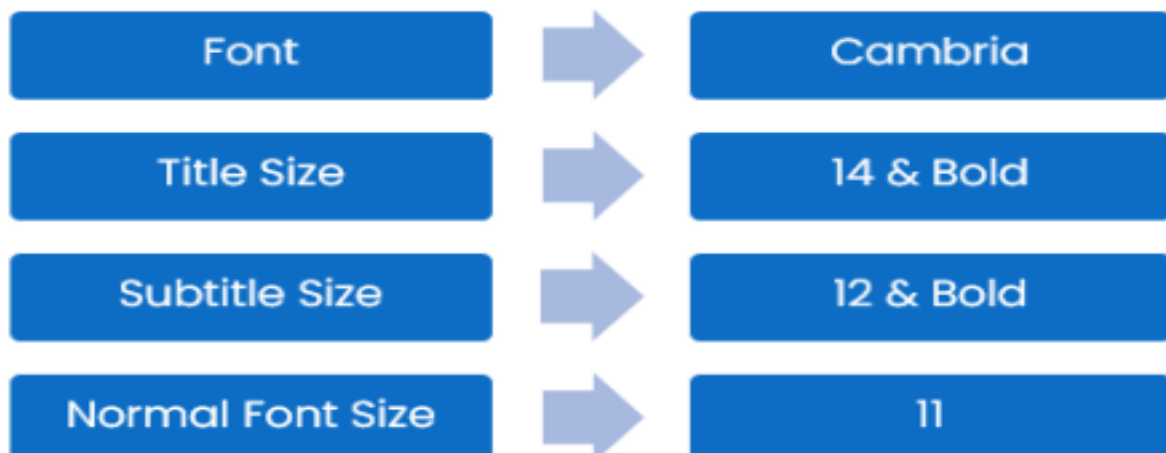
This makes the document and reports look neat and standard. However, every company may not use a standard format.

A sample formatting style is given below for a Company:

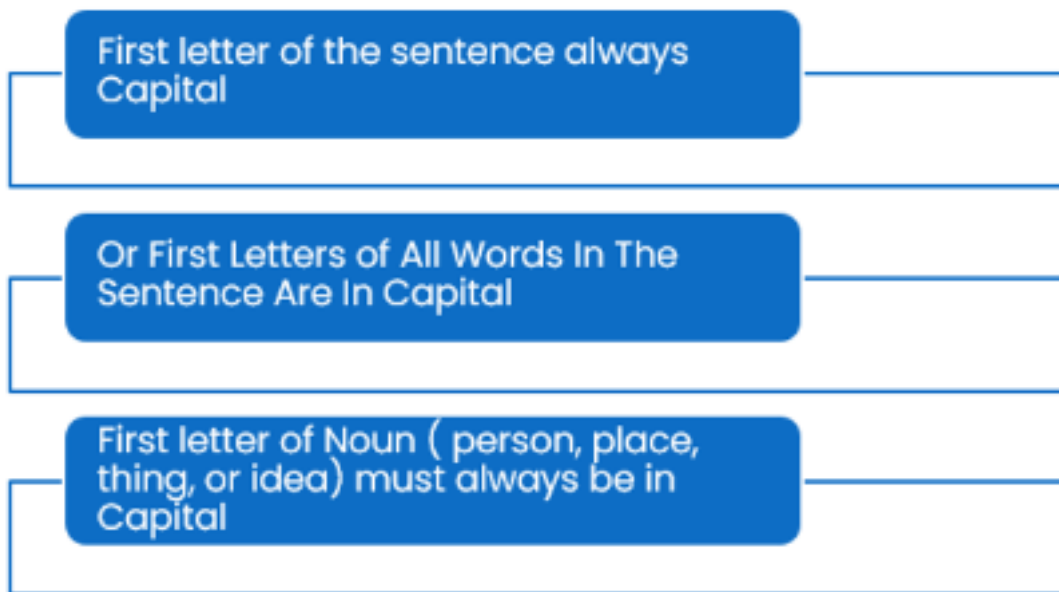
Font means the style of the text and characters like Times New Roman, Calibri, Cambri etc.

Font Size means the size of the text like 8, 10, 12. Generally, companies prefer 10 or 11 as text size. Further, the size may be higher for headings (Titles) or sub headings (sub-titles).

The text can also be written in normal or bold or Italic formats



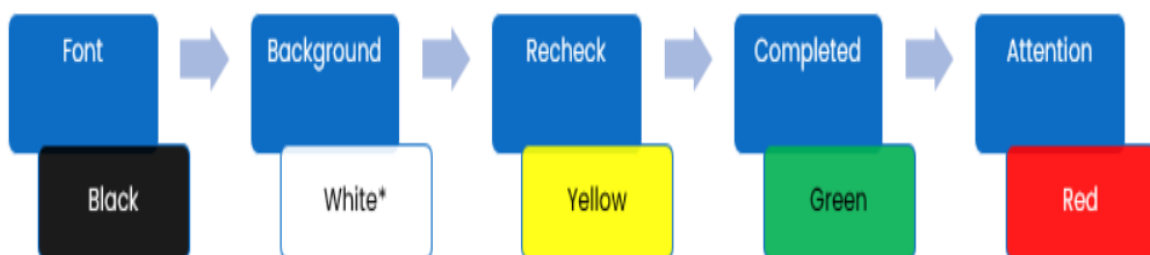
Typing:



Colour Format:

There are different types of colours in MS Excel like the Font colour and the Background colour. By default, the background is white and the text is black in colour, but one can always choose and change the same.

2.7 Gridlines and Borders:



As we know that every excel is made up of Cells, we can see that the boxes are made up of very light colours, they are actually not colours and are called Gridlines. If you print the document, the cell boxes will not be printed. If you need the cell boxes to be printed, you need to use Borders.

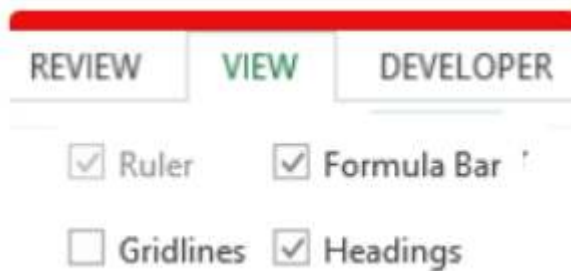
Border can be applied using the following path:

Home >> Font >> Borders

	A	B	C	D	E	F	G	H
1	ASSETS							
2	Cash	\$ 2,200.00						
3	Short Term Investments	\$ 10,000.00						
4	Accounts Receivable	\$ 39,000.00						
5	Inventory	\$ 21,000.00						
6	Plant & Equipment	\$ 1,80,000.00						
7	Depreciation	\$ (56,000.00)						
8	Supplies	\$ 3,800.00						
9	Prepaid Expenses	\$ -						
10								
11								
12								
13								
14								

Gridlines just helps us to identify the cells easily, if you don't want the gridline to appear, the same can be removed with the following path:

View >> Uncheck the Gridline box, as shown below:



2.8 Page Size, Date & Number Format:

The Excel sheet can be zoomed in or out from the bottom right of the screen as convenient.

Format Cells are very important function in Excel and you can format one single cell or a Selected Few cells or the whole sheet. Though there are various formatting options, the two important ones are the date and number formats.

Pathway for Format Cells:

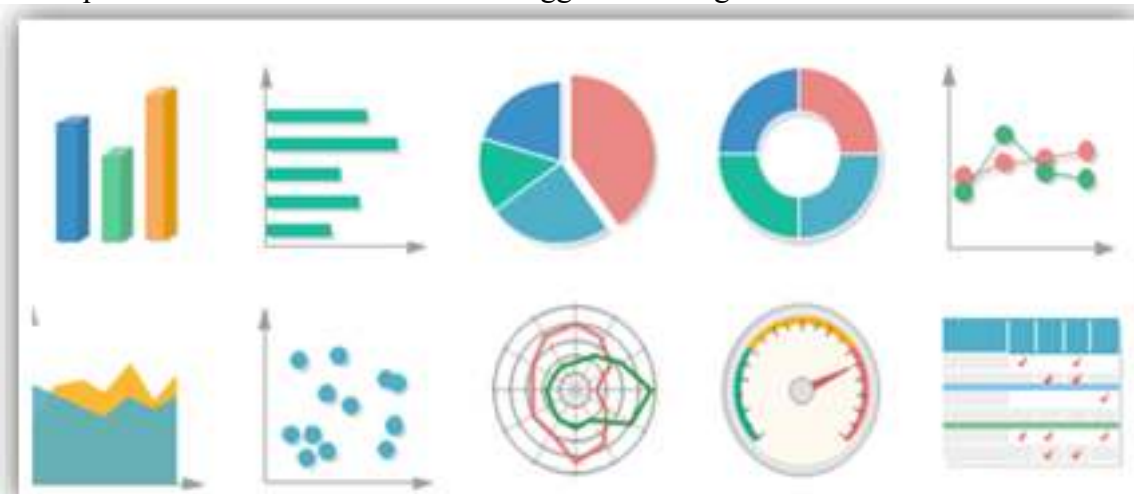
Home >> Cells >> Format drop down >> Format Cells

Shortcut >> Ctrl + 1

2.9 Charts for Data Visualization:

Types of Charts - Overview:

The most popular types of charts are column charts, bar charts, pie charts, doughnut charts, line charts, area charts, scatter charts, spider (radar) charts, gauges, and comparison charts. Here is a quick view of these charts. The biggest challenge is to how to select the most



effective type of chart for our task.

If we want to choose most suitable chart type, generally, we should consider the total number of variables, data points and the period of our data. Each type of chart has specific advantages.

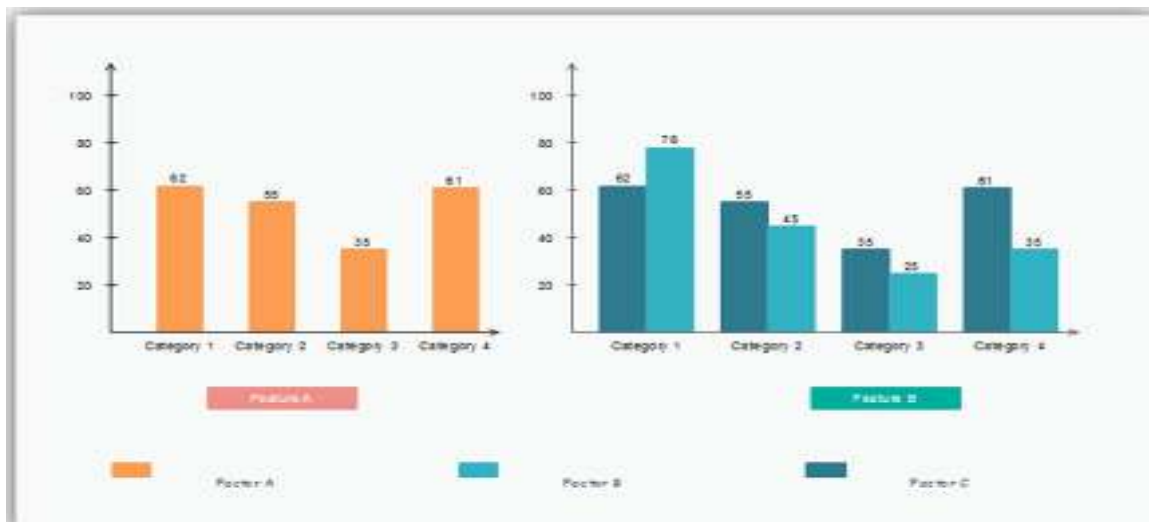
Column Chart:

A column chart is a method of displaying data with categories represented by a rectangle—sometimes called vertical bar charts. They allow easy comparisons among a number of items and trends analysis. In general, statistics and figures are difficult to understand when presented in tables or written format. Column charts make things easy, immediate, and understandable.



Column charts are effective for the comparison of at least one set of data points. The vertical axis, also known as the Y-axis, is often shown in numeric values. The X-axis on the horizontal line indicates a period.

Typically, data points in column charts can be used in Clustered or stacked forms. we can find trends over time by using these types in different colors. A clustered column chart is especially useful in showing and analyzing multiple data sets. For stacked column charts, we can quickly check a specific percentage of the overall data



2.10 Pie Chart:

The Pie Chart is also known as a “**circle chart**”, Dividing the circular statistical graphic into sectors or sections to illustrate the numerical problems. Each sector denotes a proportionate part of the whole. To find out the composition of something, Pie-chart works the best. In most cases, Pie-chart replace other graph, Line Plots, Histograms etc.,



In reality we can break down any sample data groups into different categories for example by gender or in various age groups. For Business Projects, we can use pie charts to respect the importance of one specific factor on the others.

However, analyzing different we should column

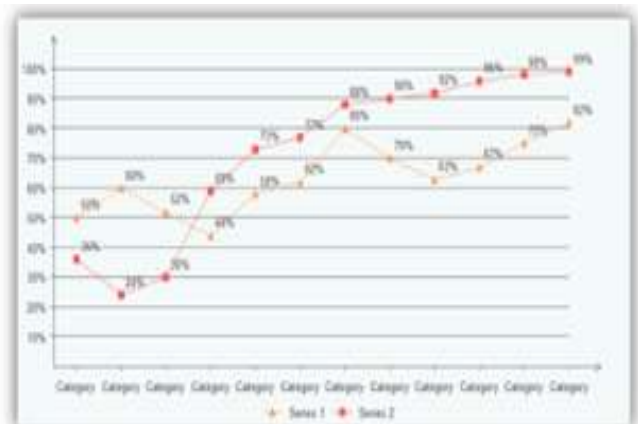
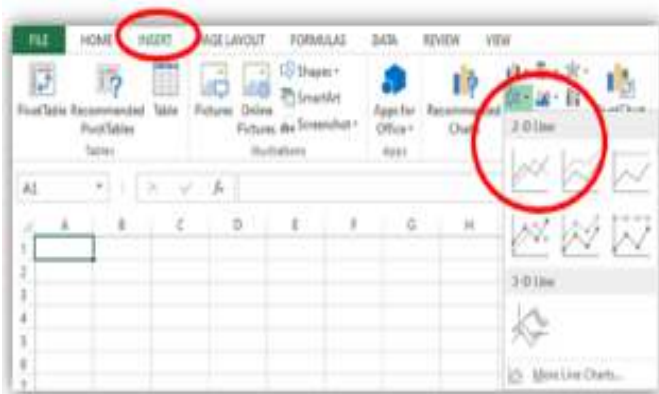


for several data sets, go for charts.

Line
This type is

charts:
of chart normally

used for explaining trends over periods. The vertical axis always displays a numeric amount, while the X-Axis indicates some other related factors, line charts can be shown with markers in the shape of circles, Square or other formats



Page setup of spreadsheets:
Margins -Built-In:

There is a choice of three built-in margin settings: Normal, narrow and wide.

To get to Normal:

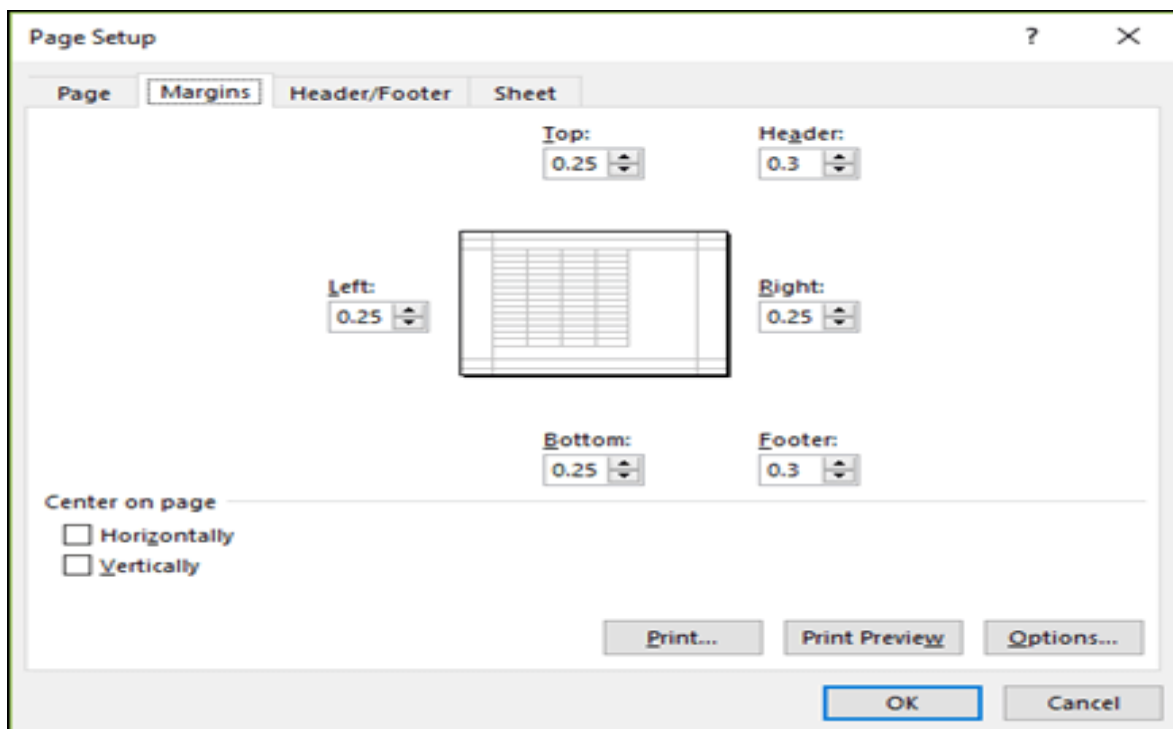
- 1) Choose page layout
- 2) Hit the Margins drop down menu
- 3) Click the Normal Margins



'Custom Margins' choice (4):

4) The Custom Margins button will produce the Page Setup Dialog Box, with the Margins tab highlighted.

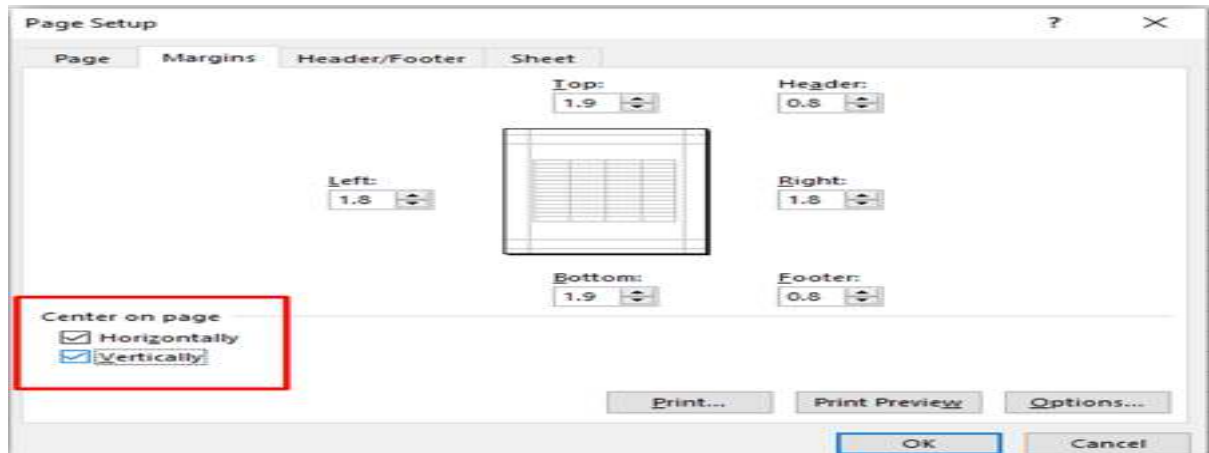
Adjust the margins to exact requirements as required. We can also be able to centre image on the page here, either horizontally, vertically or both.



Center On a Page, Paper Orientation & Setting Paper Size:

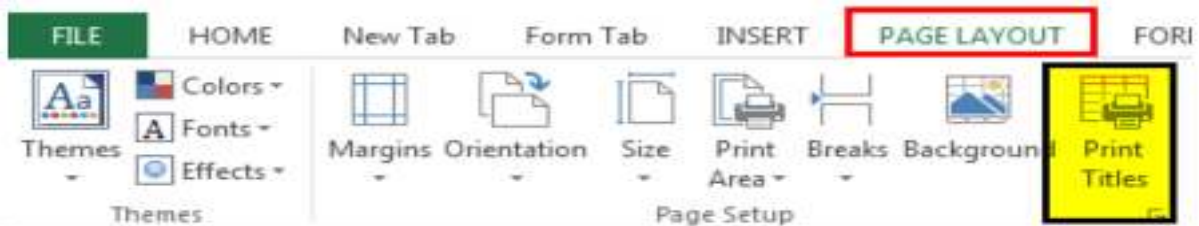
By default Excel will print in the top left hand corner of the page. If we want it to print elsewhere we need to tell it to do so.

To centre it on the page we need to go to the Page Setup dialog box again as before. This will open the box we see in the picture below. we will see on the loour left-hand side the options to centre horizontally and / or vertically.

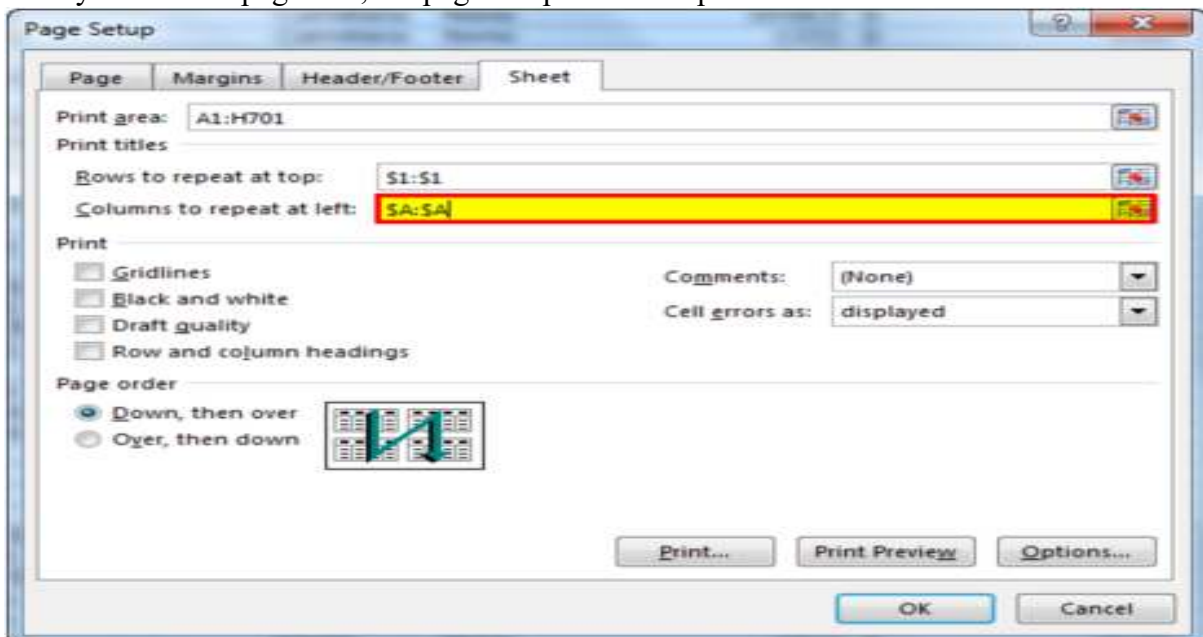


Print Titles:

At times, when the data is large, and may run into multiple pages, the table headers or titles may need to be printed in every page for better reading of the data. This is where Print tiles option is valuable. Page Layout >> Print Titles



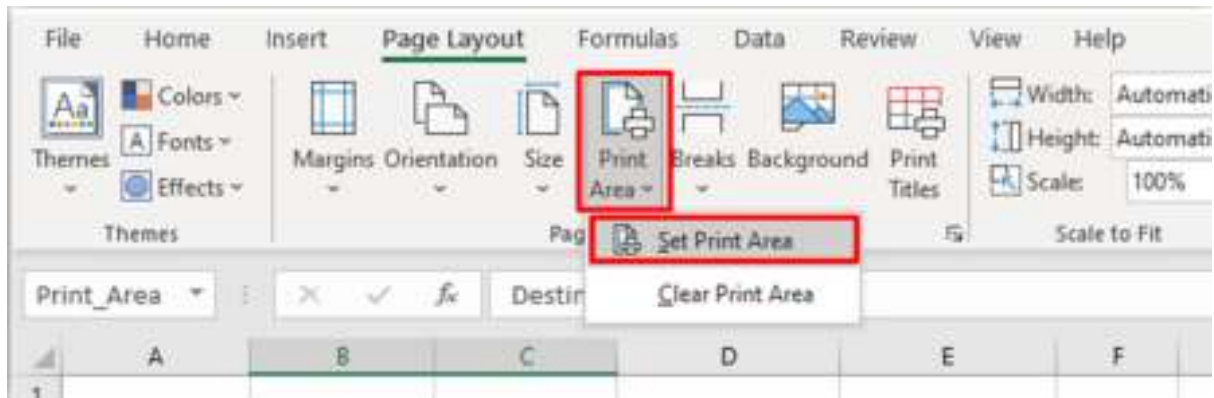
Once you click on page title, the page setup box will open as below.



In the page setup box, select the print area and the rows to be repeated in every page.

Setting The Print Area:

- The default print area for Excel is ALL which means the entire sheet, hence when we print, it will print all the cells in which there is any data. If we want to print a specific cells, or rows or columns or a table, we can use the Print Area option.
- To do this, highlight the data we want to print, click on the page layout >> print area >> set print area.
- The area will then have a thinner line around it. Once this is set, the print command will print only the print area for that sheet.

**2.11 Keywords:**

1. Formulas, Functions, Pivot Tables, Charts
2. Conditional Formatting, Data Validation, VLOOKUP, INDEX-MATCH
3. Macros, VBA, Data Analysis, Power Query
4. Filtering, Sorting, Conditional Formatting, What-If Analysis

2.12 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

Radha Krishna.V

Lesson - 3

EXCEL SHORTCUTS & FEATURES

Objective:

1. Time-Saving Shortcuts: List and explain essential Excel keyboard shortcuts to enhance productivity.
2. Advanced Features: Introduce advanced Excel features such as PivotTables, VLOOKUP, and Conditional Formatting.
3. Data Analysis Tools: Discuss various data analysis tools available in Excel, including charts, graphs, and data validation.
4. Customization Options: Describe how to customize the Excel interface and settings to suit user preferences.
5. Best Practices: Provide best practices for using Excel efficiently in accounting and data management.

Structure:

- 3.1 Introduction
- 3.2 List of Short cut keys in Excel
- 3.3 Conditional Formatting can be used for various benefits like
- 3.4 Quickly Identify Duplicates
- 3.5 Keywords
- 3.6 Reference

3.1 Introduction:

Excel Shortcuts

Excel is a powerful tool used by millions of people every day. One of the most common reasons people use Excel is to complete tedious and time-consuming tasks faster.

For example, it would take many clicks and time to find the total cost of purchases from a huge production dataset.

Keyboard shortcuts are extremely useful for the purposes of improving speed and productivity when working with Excel.

An often-overlooked method of increasing productivity when working in an Excel model is to use Excel shortcuts, or shortcut keys. These shortcut keys perform major functions that, when used instead of clicking in the toolbar, dramatically increase efficiency and speed. Imagine simply pressing two or three keys on the keyboard as opposed to moving your hand to the mouse, moving the mouse, and clicking several times.

here are thousands of keyboard Excel shortcuts that can be used within Excel to increase productivity. These shortcuts can perform many functions. from ones as simple as navigation within the spreadsheet to using formulas or grouping data.

Every time you need to do something in excel and your hand moves towards the mouse, just pause and think, is there a keyboard shortcut for this and try using one. This will increase your confidence and significantly improve your speed in excel.

Please find below, the list of most common and popular used shortcuts to start with. Just try your hands with these and then we will move to the next phase.

3.2 List of Short cut keys in Excel:

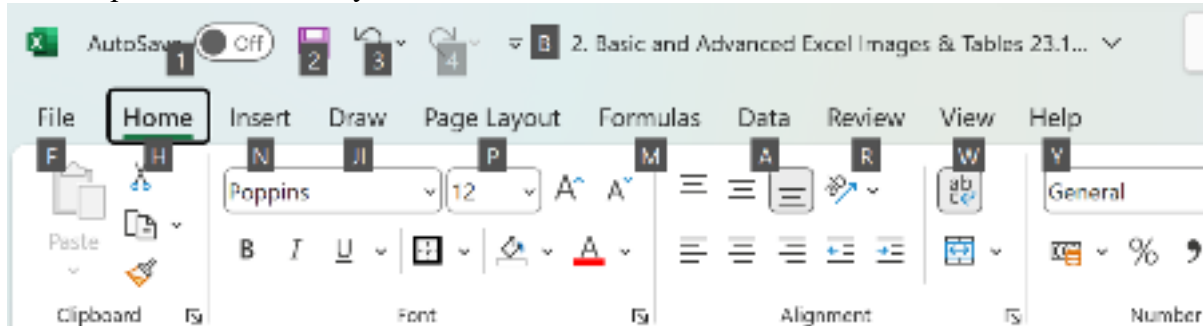
1. **Ctrl + N:** Create a new workbook.

2. **Ctrl + O**: Open an existing workbook.
3. **Ctrl + S**: Save the current workbook.
4. **Ctrl + P**: Print the current workbook.
5. **Ctrl + F**: Open the Find and Replace dialog box.
6. **Ctrl + H**: Open the Find and Replace dialog box (with the Replace tab selected).
7. **Ctrl + C**: Copy the selected cells.
8. **Ctrl + X**: Cut the selected cells.
9. **Ctrl + V**: Paste the copied/cut cells.
10. **Ctrl + Z**: Undo the last action.
11. **Ctrl + Y**: Redo the last action.
12. **Ctrl + A**: Select the entire worksheet.
13. **Ctrl + B**: Apply or remove bold formatting.
14. **Ctrl + I**: Apply or remove italic formatting.
15. **Ctrl + U**: Apply or remove underline formatting.
16. **Ctrl + K**: Insert a hyperlink.
17. **Ctrl + 1**: Open the Format Cells dialog box.
18. **Ctrl + 5**: Apply or remove strikethrough formatting.
19. **Ctrl + 9**: Hide the selected rows.
20. **Ctrl + 0**: Hide the selected columns.
21. **Ctrl + Shift + L**: Apply or remove filters.
22. **Ctrl + Shift + "+"**: Insert a new cell, row, or column.
23. **Ctrl + "-"**: Delete the selected cell, row, or column.
24. **Ctrl + Arrow Key**: Move to the edge of the current data region.
25. **Ctrl + Shift + Arrow Key**: Extend the selection to the edge of the current data region.
26. **Ctrl + Home**: Move to the beginning of the worksheet.
27. **Ctrl + End**: Move to the last cell with data in the worksheet.
28. **Ctrl + Page Up**: Move to the previous sheet in the workbook.
29. **Ctrl + Page Down**: Move to the next sheet in the workbook.
30. **Ctrl + Space**: Select the entire column.
31. **Shift + Space**: Select the entire row.
32. **Alt + Enter**: Insert a line break within a cell.
33. **Ctrl + Shift + ";"**: Enter the current time.
34. **Ctrl + ";"**: Enter the current date.
35. **Ctrl + Shift + "\$"**: Apply currency format.
36. **Ctrl + Shift + "%"**: Apply percentage format.
37. **Ctrl + Shift + "#"**: Apply date format.
38. **Ctrl + T**: Create a table from the selected data.
39. **F2**: Edit the active cell.
40. **F4**: Repeat the last action.
41. **F7**: Open the Spelling dialog box.
42. **F11**: Create a chart from the selected data.
43. **Alt + F1**: Create an embedded chart from the selected data.
44. **Ctrl + Shift + A**: Insert argument names into a formula.
45. **Ctrl + D**: Fill down in the selected cell.
46. **Ctrl + R**: Fill right in the selected cell.
47. **Ctrl + Shift + U**: Expand or collapse the formula bar.
48. **Ctrl + `**: Toggle showing formulas in cells.

49. **Alt + H + H**: Open the Fill Color menu.

50. **Alt + H + B**: Open the Borders menu.

If you press Alt in Excel you would observe all the tabs in the ribbon will start displaying their respective shortcut key letters.



Conditional Formatting:

Conditional Formatting is a feature in many spreadsheet applications that allows you to apply specific formatting to cells that meet certain criteria

It is most often used as color-based formatting to highlight, emphasize, or differentiate among data and information stored in a spreadsheet.

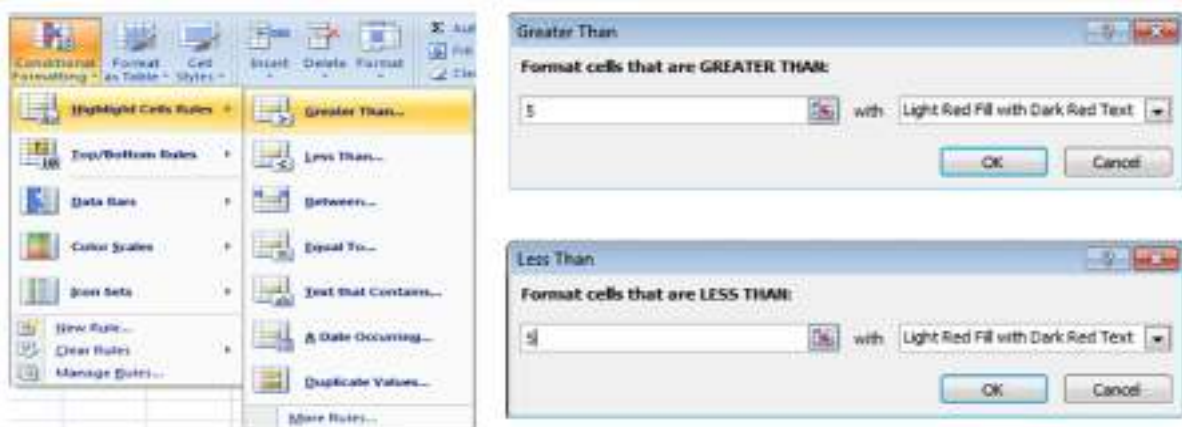
The Conditional Formatting button is available in Home Tab in the Styles box.

3.3 Conditional Formatting can be used for various benefits like:

- Highlight cells with value Greater / Lesser than a number in a dataset. Quickly Identify Duplicate using Conditional Formatting in Excel. Highlighting Top / Bottom 10 (or 10%) value in a dataset.
- Highlighting Errors/Blanks using conditional Formatting in Excel. Search and Highlight using conditional Formatting in Excel.

Highlight Cells with Value Greater/Less than a Number:

1. Select the Cells.
2. Conditional Formatting >> Highlight Cells Rules >> Greater Than..
3. Enter the number (e.g. 5) in the dialog box and choose any relevant colour (Light Red).
4. All the cells with values greater than 5, will be highlighted with Light Red colour.



3.4 Quickly Identify Duplicates:

Conditional Formatting in excel can be used to identify duplicate in a dataset. Select the dataset in which you want to highlight duplicates.

1. Select the Cells.
2. Conditional Formatting >> Highlight Cells Rules >> Duplicate values..
3. Select Duplicate in the dialog box and choose any relevant colour (Light Red).
4. All the cells with duplicate values, will be highlighted with Light Red colour.



Highlighting Top/Bottom 10 (or 10%):

1. Select the Cells.
2. Conditional Formatting >> Top/Bottom Rules >> Top 10 items..
3. Select 10 in the dialog box and choose any relevant colour (Light Red).
4. The top 10 items in the selected cells, will be highlighted with Light Red colour.



3.5 Keywords:

1. Navigation: Arrow keys, Ctrl + arrow keys, Ctrl + Home/End
2. Selection: Shift + arrow keys, Ctrl + Shift + arrow keys
3. Editing: F2 (Edit cell), Ctrl + X/C/V (Cut/Copy/Paste), Ctrl + Z (Undo)
4. Formatting: Ctrl + B/I/U (Bold/Italic/Underline), Alt + H, H (Font options)

3.6 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

Radha Krishna.V

Lesson - 4

PREPARATION OF ACCOUNTS

Objective:

1. Accounting Principles: Explain the fundamental accounting principles and concepts.
2. Chart of Accounts: Describe the process of setting up a chart of accounts in an accounting system.
3. Journal Entries: Detail the steps for recording journal entries and their significance in the accounting cycle.
4. Ledger Maintenance: Discuss the importance of maintaining accurate ledgers and how to update them.
5. Trial Balance: Explain how to prepare a trial balance and its role in the preparation of financial statements.

Structure:

- 4.1 Introduction to Preparation of Accounts
- 4.2 Importance of Preparing Accounts
- 4.3 Key Components of Account Preparation
- 4.4 Basic Steps in Preparing Accounts
- 4.5 CONCEPT OF PREPARATION OF ACCOUNTS
- 4.6 Keywords
- 4.7 Reference

4.1 Introduction to Preparation of Accounts:

The preparation of accounts is a fundamental aspect of accounting that involves recording, classifying, and summarizing financial transactions to provide useful information for decision-making. It is essential for businesses, organizations, and individuals to track their financial activities, ensure legal compliance, and assess their financial health. This introduction covers the basics of account preparation, its importance, and the key components involved.

4.2 Importance of Preparing Accounts

1. Financial Control: Properly prepared accounts help businesses keep track of income and expenses, allowing for better financial control.
2. Decision Making: Accurate financial information is crucial for making informed business decisions, such as budgeting, investing, and planning.
3. Legal Compliance: Maintaining proper accounts is often required by law, ensuring that businesses comply with regulatory requirements.
4. Performance Evaluation: Financial statements derived from prepared accounts help in evaluating the performance and financial health of the business.
5. Stakeholder Communication: Prepared accounts provide transparency and trust, essential for communicating with stakeholders, such as investors, creditors, and tax authorities.

4.3 Key Components of Account Preparation

1. Source Documents: These are the original records that document financial transactions, such as invoices, receipts, and bank statements.
2. Journal Entries: Transactions are initially recorded in the journal as debit and credit entries, forming the first step in the accounting process.
3. Ledger Accounts: Journal entries are posted to ledger accounts, which are individual records for each account, such as cash, sales, and expenses.

4. Trial Balance: A trial balance is prepared to ensure that total debits equal total credits, serving as a check for recording accuracy.
5. Financial Statements: The final step involves preparing financial statements, including the Income Statement, Balance Sheet, and Cash Flow Statement.

4.4 Basic Steps in Preparing Accounts

1. Recording Transactions:

- Identify Transactions: Recognize financial transactions and gather source documents.
- Journalize: Record the transactions in the journal using the double-entry system, which ensures that every debit has a corresponding credit.

2. Posting to Ledgers:

- Post Journal Entries**: Transfer the journal entries to the respective ledger accounts.
- Maintain Ledgers: Each account's debit and credit entries are maintained in its ledger.

3. Preparing Trial Balance:

- List All Ledgers: Create a list of all ledger accounts and their balances.
- Ensure Balance: Verify that the total debits equal total credits.

4. Adjusting Entries:

- Record Adjustments: Make necessary adjusting entries for accrued expenses, prepaid expenses, depreciation, and other adjustments.
- Update Ledgers: Post these adjusting entries to the ledger accounts.

5. Preparing Financial Statements:

- Income Statement: Summarizes revenues and expenses to determine the net profit or loss.
- Balance Sheet: Provides a snapshot of the business's financial position, listing assets, liabilities, and equity.
- Cash Flow Statement: Shows the inflow and outflow of cash, highlighting operating, investing, and financing activities.

4.5 CONCEPT OF PREPARATION OF ACCOUNTS:

Preparing accounts in Excel can be an efficient way to maintain financial records, perform calculations, and generate reports. Here is a detailed guide on how to prepare accounts in Excel, complete with an example.

Step-by-Step Guide to Preparing Accounts in Excel

Step 1: Setting Up the Excel Workbook

1. Open Excel and create a new workbook.
2. Create multiple sheets for different sections of accounts, such as:
 - Chart of Accounts
 - Journal Entries
 - Ledger Accounts
 - Trial Balance
 - Financial Statements (Income Statement, Balance Sheet)

Step 2: Creating the Chart of Accounts

1. Navigate to the first sheet and rename it as 'Chart of Accounts'.
2. Create columns for Account Number, Account Name, Account Type, and Description.

Example: Chart of Accounts

Account Number	Account Name	Account Type	Description
1000	Cash	Asset	Cash in hand
2000	Account Receivables	Asset	Amount Owned by

			Customer
3000	Inventory	Asset	Goods Available for sale
4000	Account Payable	Liability	Amount owned to suppliers
5000	Sale Revenue	Revenue	Income from sale
6000	Cost of Goods Sold	Expense	Cost of Goods Sold
7000	Salaries Expenses	Expenses	Salaries paid to employee

Step 3: Recording Journal Entries

1. Create a new sheet and rename it as `Journal Entries`.
2. Create columns for Date, Account Number, Account Name, Debit, and Credit.

Example: Journal Entries

Date	Account Number	Account Name	Debit	Credit
01/01/2024	1000	Cash	10,000	
01/01/2024	5000	Sale Revenue		10,000
02/01/2024	6000	Cost of Goods Sold	6,000	
02/01/2024	3000	Inventory		6,000
03/01/2024	7000	Salaries Expense	2,000	
03/01/2024	1000	Cash		2,000

Step 4: Posting to Ledger Accounts

1. Create a new sheet and rename it as `Ledger Accounts`.
2. Create columns for Date, Account Number, Account Name, Debit, Credit, and Balance for each ledger.

Example: Ledger Account for Cash

Date	Account Number	Account Name	Debit	Credit	Balance
01/01/2024	1000	Cash	10,000		10,000
03/01/2024	7000	Cash		2,000	8,000

Step 5: Preparing the Trial Balance

1. Create a new sheet and rename it as `Trial Balance`.
2. List all account names with their respective debit and credit balances.

Example: Trial Balance

Account Name	Debit	Credit
Cash	8,000	
Accounts Receivables		
Inventory		6,000
Accounts Payable		
Sale Revenue		10,000
Cost of Goods Sold	6,000	
Salaries Expense	2,000	
Total	16,000	16,000

Step 6: Preparing Financial Statements

Income Statement:

1. Create a new sheet and rename it as `Income Statement`.

2. List all revenue and expense accounts to calculate the net profit or loss.

Example: Income Statement

Description	Amount
Sale Revenue	10,000
Cost of Goods Sold	(6,000)
Gross Profit	4,000
Salaries Expenses	(2,000)
Net Profit	2,000

Balance Sheet:

1. Create a new sheet and rename it as 'Balance Sheet'.

2. List all asset, liability, and equity accounts to ensure the accounting equation is balanced.

Example: Balance Sheet

Description	Amount
Assets	
Cash	8,000
Inventory	6,000
Total Assets	14,000
Liabilities	
Account Payable	0
Total Liability	0
Equity	
Retained Earnings	14,000
Total Equity	14,000
Total Liabilities	14,000

By following these steps, you can efficiently prepare accounts in Excel, maintaining accurate financial records and generating essential financial statements.

4.6 Keywords:

1. Recording: Entering financial transactions into accounting records.

2. Classification: Sorting transactions into appropriate categories (e.g., assets, liabilities, revenue, expenses).

3. Summarization: Aggregating data into financial statements like balance sheets and income statements.

4.7 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani

2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

Radha Krishna.V

Lesson - 5

ANALYSIS & INTERPRETATION

Objective:

1. Financial Statement Analysis: Introduce techniques for analyzing financial statements to assess an organization's performance.
2. Ratio Analysis: Explain key financial ratios and how to calculate and interpret them.
3. Trend Analysis: Describe the process of conducting trend analysis to identify patterns over time.
4. Variance Analysis: Discuss variance analysis and its importance in comparing actual performance with budgeted figures.
5. Decision-Making: Highlight how analysis and interpretation of financial data aid in informed decision-making.

Structure:

- 5.1 Introduction
- 5.2 Financial Statements
- 5.3 Budgeting in Excel
- 5.4 Conclusion
- 5.5 Keywords
- 5.6 Reference

5.1 Introduction:

Detailed Explanation on Financial Statements and Budgeting using MS Excel: Analysis and Interpretation

Financial Statements and Budgeting are crucial components of financial management. Microsoft Excel is a powerful tool for creating, analyzing, and interpreting these elements. Here's a detailed guide on preparing, analyzing, and interpreting financial statements and budgets using Excel.

5.2 Financial Statements

Financial Statements are formal records of the financial activities and position of a business, person, or entity. The primary financial statements include the Income Statement, Balance Sheet, and Cash Flow Statement.

A. Income Statement

The Income Statement shows the company's revenues and expenses during a particular period, highlighting how the revenues are transformed into net income or net profit.

Steps to Create an Income Statement in Excel:

1. Open Excel and create a new workbook.
2. Create Columns for the following headers:
 - Date
 - Revenue
 - Expenses (various categories such as Cost of Goods Sold, Salaries, Rent, etc.)
 - Net Profit/Loss

Example: Income Statement

DATE	REVENUE	COGS	SALARIES	RENT	OTHEREXP	TOTAL EXP	NET PROFIT /LOSS
1/1/24	10,000	6,000	2,000	1,000	500	9,500	500

Analysis and Interpretation:

- Revenue Growth: Compare revenues over different periods to analyze growth.
- Expense Management: Evaluate if expenses are within expected limits.
- Profitability: Determine net profit margins and assess overall profitability.

B. Balance Sheet

The Balance Sheet provides a snapshot of a company's financial position at a specific point in time, listing assets, liabilities, and equity.

Steps to Create a Balance Sheet in Excel:

1. Open Excel and create a new workbook.
2. Create Sections for Assets, Liabilities, and Equity.
3. List All Accounts and their balances under the respective sections.

Example: Balance Sheet

ASSETS	AMOUNT	LIABILITES	AMOUNT	EQUITY	AMOUNT
CASH	8,000	ACCOUNTS PAYABLE	6,000	COMMON STOCK	10,000
INVENTORY	6,000			RETAINED EARNINGS	2,000
TOTAL ASSETS	14,000	TOTAL LIABLITIES	6,000		

Analysis and Interpretation:

- Liquidity: Assess the company's ability to cover short-term obligations with current assets.
- Solvency: Evaluate long-term stability by comparing total liabilities with total equity.
- Asset Management: Examine the composition and utilization of assets.

C. Cash Flow Statement

The Cash Flow Statement shows the cash inflows and outflows from operating, investing, and financing activities over a period.

Steps to Create a Cash Flow Statement in Excel:

1. Open Excel and create a new workbook.
2. Create Sections for Operating Activities, Investing Activities, and Financing Activities.
3. List All Cash Flows under respective sections.

Example: Cash Flow Statement

Operating Activities	Amount
Cash from customers	10,000
Cash paid to supplier	(6,000)
Cash paid for salaries	(2,000)
Net Cash from Operating Activities	2,000
Investing Activities	Amount
Purchase of Equipment	(1,000)
Net Cash from Investing Activities	(1,000)
Financing Activities	Amount
Issuance of Stock	5,000
Net Cash from Financing stock	5,000

Net Increase in Cash -6,000 ; Cash at Beginning – 2,000 ; Cash at end – 8,000

Analysis and Interpretation:

- Cash Flow Adequacy: Determine if operating activities generate sufficient cash.
- Investment Assessment: Evaluate cash used in or generated from investing activities.
- Financing Strategy: Assess how financing activities affect cash flow.

5.3 Budgeting in Excel

Budgeting involves forecasting future revenues and expenses to plan for financial activities. Excel is highly useful for creating and managing budgets.

Steps to Create a Budget in Excel:

1. Open Excel and create a new workbook.
2. Create Headers for the budget period (e.g., months, quarters).
3. List All Revenue and Expense Categories.

Example: Monthly Budget

Category	January	February	March	April	Total
Revenue	10,000	12,000	11,000	13,000	46,000
COGS	6,000	7,000	6,500	7,500	27,000
SALARIES	2,000	2,000	2,000	2,000	2,000
RENT	1,000	1,000	1,000	1,000	4,000
OTHER EXP	500	600	550	700	2,350
NET PROFIT	500	1,400	950	1,800	4,650

Analysis and Interpretation:

- Variance Analysis: Compare actuals against the budget to identify variances.
- Trend Analysis: Analyze trends in revenues and expenses over the budget period.
- Resource Allocation: Ensure resources are allocated efficiently to maximize profits.

5.4 Conclusion:

Using Excel for preparing financial statements and budgeting involves:

- Setting up structured worksheets.
- Inputting accurate financial data.
- Utilizing Excel functions for calculations and analysis.

With Excel's powerful tools, you can perform detailed analysis and interpretation, enabling better financial decision-making and strategic planning.

5.5 Keywords:

Analysis, Interpretation, Excel, Data Visualization.

Explanation: These keywords refer to the process of examining data using Excel tools to draw meaningful conclusions and insights, often involving visual representations for clarity and understanding.

5.6 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

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Lesson - 6

SELECTION OF AN ACCOUNTING SOFTWARE

Objective:

1. **Criteria for Selection:** Identify the key criteria to consider when selecting accounting software.
2. **Software Options:** Provide an overview of popular accounting software options available in the market.
3. **Feature Comparison:** Compare the features and functionalities of different accounting software.
4. **Customization and Scalability:** Discuss the importance of customization and scalability in accounting software.
5. **Cost-Benefit Analysis:** Explain how to conduct a cost-benefit analysis to choose the most suitable accounting software.

Structure:

- 6.1 Introduction
- 6.2 Popular Accounting Software Options
- 6.3 Selection of Accounting Software was done with Tally Prime 4.1
- 6.4 Key Factors in Selecting Accounting Software
- 6.5 Why Tally Prime 4.1?
- 6.6 Steps in Selecting Tally Prime 4.1
- 6.7 Selection Of an Accounting Software
- 6.8 Types Of Accounting Software
- 6.9 Systematic Software
- 6.10 Software Manufactured as per Requirement
- 6.11 Keywords
- 6.12 Reference

6.1 Introduction:

Selecting the right accounting software for your business is crucial as it can greatly impact your financial management and overall business efficiency. Here's a clear guide to help you make an informed decision:

1. Identify Your Business Needs

- **Size of the Business:** Small businesses may need basic features, while larger businesses might require advanced functionalities.
- **Type of Business:** Different industries have different accounting requirements. For instance, a retail business might need robust inventory management.
- **Number of Users:** Determine how many people will need access and their roles.
- **Budget:** Set a budget for your accounting software, considering both initial costs and ongoing fees.

2. Key Features to Consider

- **Core Accounting Features:** Ensure the software includes essential features such as general ledger, accounts payable, accounts receivable, and bank reconciliation.
- **Financial Reporting:** Look for customizable financial reports, including balance sheets, income statements, and cash flow statements.
- **Automation:** Features like automated billing, invoicing, and payment reminders can save time and reduce errors.

- **Tax Preparation:** Integration with tax software and tools for tax calculations can simplify tax filing.
- **Inventory Management:** Useful for businesses that need to track inventory levels, orders, and sales.
- **Payroll Processing:** If you have employees, integrated payroll features can help manage salaries, deductions, and compliance with tax laws.
- **Scalability:** Choose software that can grow with your business, allowing for additional features or users as needed.

3. Ease of Use

- **User-Friendly Interface:** The software should be intuitive and easy to navigate, even for users without an accounting background.
- **Training and Support:** Availability of training resources, customer support, and user community forums can be very helpful.

4. Integration Capabilities

- **Compatibility:** Ensure the software integrates seamlessly with other tools you use, such as CRM systems, e-commerce platforms, and banking apps.
- **API Availability:** Having an open API can be beneficial for custom integrations or advanced data management needs.

5. Security

- **Data Protection:** Look for software with robust security measures, including data encryption and secure backup.
- **Access Controls:** The ability to set user permissions and access levels to protect sensitive financial information.

6. Vendor Reputation and Reviews

- **Research Vendors:** Look into the history and reputation of the software provider.
- **User Reviews:** Read reviews and testimonials from other users to gauge their experiences with the software.
- **Case Studies:** Check for case studies or success stories from businesses similar to yours.

7. Cost Considerations:

- **Pricing Structure:** Understand the pricing model – is it a one-time purchase, subscription-based, or pay-per-user?
- **Hidden Costs:** Be aware of any additional costs for add-ons, extra users, or customer support.

8. Trial and Demonstration

- **Free Trial:** Take advantage of free trials to test the software and see if it meets your needs.
- **Product Demo:** Request a demonstration from the vendor to better understand the software's capabilities and features.

9. Compliance

- **Regulatory Compliance:** Ensure the software helps you comply with local and international accounting standards and regulations (e.g., GAAP, IFRS).
- **Tax Compliance:** It should support local tax laws and help in accurate tax reporting and filing.

10. Customer Support

- **Support Availability:** Check the availability and responsiveness of customer support, including options for phone, email, or live chat.
- **Help Resources:** Access to comprehensive help resources, such as manuals, FAQs, and video tutorials.

6.2 Popular Accounting Software Options

- **QuickBooks:** Suitable for small to medium-sized businesses; offers a wide range of features and integrations.
- **Xero:** Known for its user-friendly interface and robust feature set, ideal for small businesses.
- **FreshBooks:** Best for freelancers and small businesses that need simple, easy-to-use invoicing and expense tracking.
- **Sage:** Provides solutions for small businesses to large enterprises, with strong accounting and ERP capabilities.
- **Zoho Books:** Affordable option with strong features, especially good for small businesses.
- **Tally Prime:** Widely used in countries like India, offering comprehensive accounting and inventory management features.

By carefully evaluating these aspects, you can select an accounting software that best fits your business requirements, enhancing efficiency and ensuring accurate financial management.

6.3 Selection of Accounting Software was done with Tally Prime 4.1:

Selecting accounting software is a crucial decision for any business as it impacts financial management, compliance, and operational efficiency. When choosing accounting software and deciding on Tally Prime 4.1, several factors need to be considered. Here's a detailed overview of the selection process and why Tally Prime 4.1 might be the preferred choice:

6.4 Key Factors in Selecting Accounting Software

1. Business Requirements:

- **Size of Business:** Small, medium, or large.
- **Industry:** Specific needs based on industry.
- **Number of Users:** Single user or multi-user environment.
- **Scalability:** Ability to grow with your business.

2. Features and Functionalities:

- **Core Accounting:** General ledger, accounts payable/receivable, bank reconciliation.
- **Advanced Features:** Inventory management, payroll processing, GST compliance.
- **Customization:** Ability to customize reports and dashboards.
- **Integration:** Compatibility with other software (CRM, ERP).

3. Ease of Use:

- **User Interface:** Intuitive and easy to navigate.
- **Training and Support:** Availability of tutorials, customer support, and documentation.
- **Implementation:** Ease of setting up and migrating data.

4. Cost:

- **Upfront Costs:** Purchase or subscription fees.
- **Ongoing Costs:** Maintenance, updates, and support.

- **Value for Money:** ROI based on features and business benefits.

5. Security:

- **Data Protection:** Security measures to protect financial data.
- **Access Controls:** User permissions and role-based access.

6. Compliance:

- **Regulatory Compliance:** Adherence to local and international accounting standards.
- **Audit Trails:** Tracking changes and maintaining records for audits.

6.5 Why Tally Prime 4.1?

Tally Prime 4.1 is a popular choice for many businesses due to its robust features, ease of use, and cost-effectiveness. Here's a detailed breakdown of why Tally Prime 4.1 might be the right choice:

1. Comprehensive Features:

- **Accounting and Finance:** Complete solution for managing accounts, general ledger, invoicing, and financial reporting.
- **Inventory Management:** Efficient tracking of stock, inventory valuation, and stock movement.
- **GST Compliance:** Seamless GST return filing, invoicing, and compliance with Indian tax laws.
- **Multi-User Environment:** Supports multiple users with role-based access controls.

2. Ease of Use:

- **User-Friendly Interface:** Simple and intuitive interface that reduces the learning curve.
- **Quick Implementation:** Easy to set up with minimal training required for users.

3. Cost-Effective:

- **Affordable Pricing:** Competitive pricing with a good balance of features and costs.
- **No Hidden Costs:** Transparent pricing model without hidden fees.

4. Customization and Flexibility:

- **Customizable Reports:** Ability to generate customized reports based on specific business needs.
- **Scalable Solution:** Can be scaled to meet the growing needs of a business.

5. Integration and Compatibility:

- **Integration with Other Systems:** Ability to integrate with other business systems and software.
- **Data Migration:** Tools and support for migrating data from other accounting systems.

6. Security and Compliance:

- **Data Security:** Strong security measures to protect sensitive financial data.
- **Audit and Compliance:** Built-in features for maintaining audit trails and ensuring compliance with accounting standards.

6.6 Steps in Selecting Tally Prime 4.1

1. Needs Assessment:

- Conduct a thorough needs assessment to understand the specific requirements of your business.

- Identify the must-have features and functionalities.

2. **Market Research:**

- Research various accounting software options available in the market.

- Compare features, pricing, and reviews.

3. **Evaluation:**

- Evaluate Tally Prime 4.1 against the identified requirements.

- Consider ease of use, customization, integration, and support.

4. **Demo and Trial:**

- Request a demo or trial version of Tally Prime 4.1.

- Test the software with real data and scenarios to ensure it meets your needs.

5. **Decision and Purchase:**

- Based on the evaluation, make an informed decision.

- Purchase the software and plan for implementation and training.

6. **Implementation:**

- Install and set up Tally Prime 4.1.

- Migrate existing data and configure the software according to business requirements.

7. **Training and Support:**

- Provide training to users.

- Ensure access to customer support and resources.

By following these steps and considering the factors outlined, businesses can make an informed decision to select Tally Prime 4.1, ensuring it aligns with their financial management needs and business objectives.

6.7 Selection Of an Accounting Software:

Information and technology has established new dimensions in every sphere of life and after scientific activities, most of the work has been done in the business world.

• Various types of software have been created for the smallest needs of business, so that business tasks which used to take hours are now completed in minutes. • There are many accounting software such as Tally, Busy, Marg are available in India to perform business functions, but among them the most popular software in India is Tally because it keeps up with the changing business activities.

6.8 Types Of Accounting Software:

Ready-to-Use Software: Such software can be used by ordinary users as soon as they are received and their maintenance cost and training cost are both very low. This is the reason why they are used more by a small and traditional business concerns. Tally Prime and Busy are the most popular software in India.

Advantages:

• The results of this software' are more accurate and faster.

• This software is used by most of the small businessmen, so the employees working on this software are easily available.

Disadvantages:

• The level of confidentiality in this software is low.

• This software has limited connectivity with other information systems.

6.9 Systematic Software: Software that can be modified according to the instructions of the user. They are called organized or customized software. Such software is expensive. Often

this type of software is used in organizations where financial dealings are of some special nature.

Advantages:

Such software is designed according to the needs of the consumer.

Such software maintains a high level of confidentiality.

Disadvantages:

The cost of this type of software is high. Hence it is unsuitable for small entrepreneurs.

>The user of this software needs more training.

6.10 Software Manufactured as per Requirement:

Such software which is prepared and provided by the software company according to the requirement and instructions of the user, is called as Required manufactured software. Such software has a high degree of confidentiality and such software is used in large commercial organizations.

Advantages:

>This software has a high level of privacy.

>It is more useful for large business organizations.

Disadvantages:

This is specialized software, so it can be used only by trained personnel.

The cost of this software is high as compared to others.

6.11 Keywords:

When selecting accounting software, consider keywords like scalability, user-friendliness, integration, and security. Scalability ensures the software can grow with your business, while user-friendliness enhances adoption and efficiency. Integration capability with other tools streamlines operations, and robust security features protect sensitive financial data. Choose software that aligns with your business needs and future growth plans.

6.12 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

Srihari Nizampatnam

Lesson – 7

INTRODUCTION TO TALLY PRIME

Objective:

1. Overview of Tally Prime: Introduce Tally Prime and its role in computerized accounting.
2. Key Features: Outline the key features and capabilities of Tally Prime.
3. User Interface: Describe the user interface and navigation of Tally Prime.
4. Installation Process: Provide instructions on how to install Tally Prime.
5. Benefits of Using Tally Prime: Discuss the benefits of using Tally Prime for accounting and financial management.

Structure:

- 7.1 What is Tally Prime?
- 7.2 History of Tally Prime
- 7.3 Key Features or Core Modules of Tally Prime
- 7.4 Uses of Tally Prime
- 7.5 Introduction to Tally Prime
- 7.6 Salient Features of Tally Prime
- 7.7 Requirements to be satisfied to Install Tally Prime
- 7.8 Keywords
- 7.9 Reference

7.1 What is Tally Prime?

Tally Prime is an accounting software that makes recording and organizing accounting information so simple that in no time, you will be in greater control of your business, business (whether small, medium or large enterprises), right from invoicing to insights that matter to business growth.

7.2 History of Tally Prime:

Tally Solutions Pvt. Ltd. is an Indian multinational technology company, that provides enterprise resource planning software. It is headquartered in Bangalore, Karnataka.

Tally Solutions was co-founded in 1986 by Shyam Sunder Goenka and his son Bharat Goenka after the family's cotton business was destroyed by fire. It began as Peutronics Financial Accountant, an accounting software application. The company was incorporated in 1991 and was renamed Tally Solutions in 1999.

The first version of the accounting software was launched as an MS-DOS application. It had only basic accounting functions, and was named Peutronics Financial Accountant.

- In 2006, Tally launched Tally 8.1, a concurrent multi-lingual version, and also Tally 9

In 2009, the company released Tally Prime, a business management solution

- In 2015, the company launched a program called Vriddhi to certify and classify its business partners. Also in 2015, Tally Solutions announced the launch of Tally ERP 9 Release 5.0 with taxation and compliance features.

- In 2016, Tally Solutions was shortlisted as a GST Suvidha Provider to provide interface between the new Goods and Services Tax (GST) server and taxpayers, and in 2017, the company launched its updated GST compliance software.

- In 2020, the company released Tally Prime.

- In 2022, they introduced Tally Prime Edit Log.

7.3 Key Features or Core Modules of Tally Prime:

Tally Prime, a complete accounting software, helps you manage several functions of the business, starting from recording business transaction to generating complex reports in an integrated manner.

- Accounts receivable, for all money the business receives.
- Accounts payable, for all Money the business owes.
- Pre-defined chart of accounts.
- Invoicing and billing
- Flexible inventory management
- Insightful business reports
- Sales and purchase management
- Record and Book keeping
- Transact in multiple currencies
- Online business reports
- Employee Payroll Management
- Multi-company Support
- Cost tracking and analysis
- Complete solutions for GST, TDS and TCS

7.4 Uses of Tally Prime:

Simple and as per modern software standards:

Tally Prime is the latest version of Tally and the main and most evident difference in the latest version when compared with the older version is the look of the software. The new version i.e Tally Prime looks very classy and is also soothing to the eyes of the user.

It is also simpler to use. Understanding the user, the software is made in such a way that every screen of Tally can be accessed with a simple search bar called the 'Go To search' switch. Type out the screen name for example if I wish to check my Balance sheet. I can simply type 'Balance sheet and it will display suggestions and I can click the one I want to see. It has the same functionality as the Google search engine you type and get whatever you want.

More Flexibility:

Tally Prime provides you with the flexibility to access your Tally data in the form of reports from any device and at any time. You can log in to your account from the Tally Solutions website and view your Tally data reports.

Future Ready:

When a business grows over some time, it's expected that new features and functions will be added to its existing ERP software. Tally prime is constantly being updated to accommodate new features to suit business needs. This software has the potential to grow with your business.

More Secure:

Tally prime understands the importance of a company's data and information. Tally Prime has come up with built-in security at many levels so that, with tally prime, your data will always be secure. User-level security controls, as well as user activity overview, are some of the features Tally provides to keep its company data safe.

Remote Access:

With tally prime, you can access your important business reports from anywhere outside your business premises. Tally Prime brings the ability to access your data from a web browser, or any device at anytime from anywhere. Accessing Bills Receivable & Payable. Stock Summary, Sales/Purchase Register. Profit & Loss A/C. Balance Sheet, and many such reports securely is now possible with the aid of Tally Prime.

Data Synchronization:

Tally Solutions understand that gathering and organizing data from multiple branches is a tedious task. To consolidate all your data in one place and provide you with more ease in analysing your data, tally has a synchronization feature in tally prime. This feature consolidates all your data from different locations and provides it to you in one place.

Always Stay Compliant:

Stay compliant with new rules and regulations as introduced by the government. Every new compliance rule is made available for Tally users in the latest update. Thus you need to keep your software up-to-date.

Takeaway:

Tally Prime is one of that software that is a complete business management software package. It is a one-time investment that provides you with return throughout your business life-cycle. Keeping in mind the requirement of small and medium businesses.

Tally Prime is being improved every once in a while. One of the biggest advantages of Tally is its ability to adapt to every type of business. It has hundreds of features that can be enabled or disabled as per the requirement. Due to this reason, more and more businesses in the African countries and worldwide are using Tally to maintain their books of accounts.

7.5 Introduction to Tally Prime

Tally Prime is one of the most widely used financial software. Tally Prime reports can help a business owner make informed decisions to increase efficiency, reduce costs, and organize business operations.

With Tally Prime, accurate, up-to-date business information is available at the click of a button anytime. It provides a comprehensive solution for the accounting and inventory needs of a business.

It provides the capability to generate fully accurate tax returns in a matter of minutes, extracting, interpreting and presenting financial data.

7.6 Salient Features of Tally Prime:**A leading accounting package:**

The first version of Tally was released in 1988. Today it is recognised as one of the leading accounting packages across the world, with over a million customers.

No accounting codes:

Unlike other computerised accounting packages which require numeric codes, Tally Prime pioneered the 'no accounting codes' concept. Tally Prime users have the freedom to allocate meaningful names in plain English to their data items in the system.

Complete business solution:

Tally Prime provides a comprehensive solution to the accounting and inventory needs of a business. The package comprises financial accounting, book-keeping and inventory accounting. It also has various tools to extract, interpret and present data.

Flexible and easy to use:

Tally Prime is very flexible. It mimics the human thought process, which means that Tally. ERP 9 can adapt itself to any business need. Tally Prime users need not change the way their business is run to adapt themselves to the package.

Speed:

Tally Prime provides the capability to generate instant and accurate reports, which assist the management to take timely and correct decisions for the overall productivity and growth of the company.

Power:

Tally Prime allows the user to maintain multiple companies, with unlimited levels of classification and grouping capabilities. It also allows drill down facility from report level to transaction level.

Flexibility:

Tally Prime provides the flexibility to generate instant reports for any given period (month/year) or at any point of time besides providing the facility to toggle between Accounting & Inventory reports of the same company or between companies.

Real time processing:

Tally Prime updates books of accounts, as soon as the transactions are entered, thereby facilitating instant report generation. It also facilitates a real-time multi-user environment.

Versatility:

Tally Prime is suitable for a range of organisations, from small grocery stores to large corporations with international locations and operations.

Tally Help:

The Tally Prime Online Help (Alt+H) provides instant assistance on basic and advanced features or any other relevant topic of Tally Prime.

Remote Access:

Tally Prime provides remote capabilities to access data from anywhere and anytime.

Control Centre:

The Control Centre works as an interface between the user and Tally Prime installed at different sites and enables the user to centrally configure and administer Site/User belonging to an account.

Support Centre:

The Support Centre allows a user to directly post his/her support queries on the functional and technical aspects of the Product.

Auditor's Edition: Tally Prime provides auditing and compliance capabilities for Chartered Accountants. **Statutory Compliance:** Tally Prime helps generating 100% accurate tax returns within a few minutes. Moreover, it provides the experience of a hand-prepared return to ensure that taxation becomes a hassle-free task. It is compatible across Indian tax regimes such as VAT, Excise, TDS and Service tax.

Intelligent Set up Manager:

- Setup tool can interact with all the components of the operating system
- It guide's you in troubleshooting the licensing run-time issues

Concurrent Multi-Lingual:

- Viewing them in another language and printing them in yet another Indian language.
- Capability of maintaining many languages and few international languages.

Multi- Tasking:

Viewed and printed from anywhere of the Tally screen without disturbing the current work.

7.7 Requirements to be satisfied to Install Tally Prime:

Particulars	System Recommended Configuration
Operating system (OS)	Microsoft Windows 7 or above.
System type	64-bit operating system (for the OS and other applications such as MS Excel, Adobe Acrobat, and so on).
Memory (RAM)	A minimum of 4 GB or more.
Hard disk	45 MB of free space to install the application.

Processor	Intel Core2Duo and above or equivalent.
Connectivity	Continuous connection to the internet.
Monitor resolution	1024 x 768 or higher.

7.8 Keywords:

1. Business Management: Tally Prime streamlines accounting, inventory, and compliance for businesses.
2. User-Friendly Interface: Offers an intuitive interface for easy navigation and efficient data entry.
3. Real-time Reporting: Provides accurate and instant financial reports and analysis.
4. GST Compliance: Ensures seamless GST filing and compliance with Indian tax regulations.

7.9 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

Srihari Nizampatnam

Lesson - 8

FEATURES OF TALLY PRIME

Objective:

1. Comprehensive Accounting: Explain the comprehensive accounting features available in Tally Prime.
2. Inventory Management: Describe the inventory management capabilities of Tally Prime.
3. Tax Compliance: Discuss how Tally Prime helps in ensuring tax compliance and managing GST.
4. Reporting and Analysis: Highlight the reporting and data analysis features in Tally Prime.
5. Customization and Integration: Explain the customization options and integration capabilities of Tally Prime.

Structure:

- 8.1 Functional Features of Tally Prime
- 8.2 Statement of Accounts
- 8.3 Accounts Receivable and Accounts Payable
- 8.4 Basic Inventory
- 8.5 Advanced Accounting in Tally Prime
- 8.6 Advanced Inventory
- 8.7 Reorder Levels
- 8.8 Stock Ageing Analysis
- 8.9 Batch Related Reports
- 8.10 Point of Sale (POS)
- 8.11 Goods and Services Tax (GST)
- 8.12 Tax Deducted at Source (TDS)
- 8.13 Tax Collected at Source (TCS)
- 8.14 Payroll
- 8.15 Technology Advantages in Tally Prime
- 8.16 Multi-directory for company management
- 8.17 Keywords
- 8.18 Reference

8.1 Functional Features of Tally Prime:

Sure! Here's a detailed explanation of each of these concepts in the context of accounting and using software like Tally Prime:

Complete Bookkeeping

Bookkeeping is the systematic recording, storing, and retrieving of financial transactions for a business. It includes:

- Recording: All financial transactions are recorded in journals and ledgers.
- Storing: Records are securely stored and organized for easy access.
- Retrieving: Financial information is easily retrievable for analysis, reporting, and auditing.

Books, Registers, and Statement of Accounts

-Books: Refers to the various journals and ledgers where financial transactions are recorded.

Common types include:

- General Journal: Records all types of transactions.

- Special Journals: Used for specific types of transactions like sales, purchases, cash receipts, and disbursements.
- Registers: Detailed records within the accounting system that keep track of specific types of transactions or data.
 - Purchase Register: Records all purchase transactions.
 - Sales Register: Records all sales transactions.
 - Cash Register: Tracks cash transactions.

8.2 Statement of Accounts: Summarizes the financial transactions and status of a specific account, providing a clear picture of the account's balance and activities over a period.

General Ledger

The general ledger is a complete record of all financial transactions made by a business. It includes:

- **Accounts:** Each account (assets, liabilities, equity, revenue, expenses) is maintained within the general ledger.
- **Debits and Credits:** Each transaction is recorded with a debit and a credit entry in respective accounts.
- **Trial Balance:** A statement listing all the closing balances of the general ledger accounts to ensure that debits equal credits.

8.3 Accounts Receivable and Accounts Payable

- **Accounts Receivable (AR):** Represents money owed to the business by customers for goods or services delivered. AR management includes:
 - Invoicing: Sending invoices to customers.
 - Collection: Tracking and collecting payments.
 - Aging Report: Monitoring overdue invoices.
- **Accounts Payable (AP):** Represents money the business owes to suppliers for goods or services received. AP management includes:
 - Bill Entry: Recording bills from suppliers.
 - Payments: Tracking and making payments.
 - Aging Report: Monitoring due and overdue bills.

Flexible Voucher Numbering

Flexible voucher numbering allows businesses to customize the numbering sequence of vouchers (documents recording transactions) for better organization and identification. This can include:

- Automatic Numbering:** Sequential numbering of vouchers.
- **Manual Numbering:** Users can assign specific numbers.
- **Prefix/Suffix:** Adding prefixes or suffixes to voucher numbers for categorization (e.g., INV-001 for invoices).

Flexible Classification of Heads

Flexible classification of heads refers to the ability to categorize and organize accounts under different heads or groups. This includes:

- Creating Groups: Categorizing accounts into groups (e.g., assets, liabilities, income, expenses).
- Sub-Groups: Creating sub-categories for detailed tracking (e.g., under assets: current assets, fixed assets).
- Custom Classification: Customizing account groups based on business needs.

Panoramic View

A panoramic view provides a comprehensive overview of financial data on a single screen. This can include:

-**Dashboard:** A visual representation of key financial metrics and performance indicators.

-**Summary Reports:** Consolidated reports showing the overall financial position.

Drill-Down Display

Drill-down display allows users to click on summarized data to view detailed information. This feature helps in:

- Analyzing: Viewing transaction details behind summary figures.

- Tracing: Identifying the source and specifics of entries.

Database Reporting

Database reporting involves generating reports from the accounting database to analyze financial data. This includes:

-**Custom Reports:** Creating specific reports based on business needs.

-**Standard Reports:** Predefined reports like balance sheet, profit and loss statement, etc.

Voucher and Cheque Printing

Voucher and cheque printing enables businesses to print transaction vouchers and cheques directly from the software. This feature includes:

-**Custom Templates:** Designing templates for vouchers and cheques.

-**Batch Printing:** Printing multiple documents at once.

Columnar Reports:

Columnar reports present data in columns for easy comparison and analysis. This format is used for:

- Financial Statements: Presenting multiple periods side by side.

- Comparative Analysis: Comparing different departments, products, or time periods.

Bank Reconciliation

Bank reconciliation is the process of matching the accounting records with the bank statement.

This ensures:

- Accuracy: Identifying discrepancies between the books and the bank.

- Completeness: Ensuring all transactions are recorded.

Cash Flow Statements

Cash flow statements track the flow of cash in and out of the business, providing insights into:

- Operating Activities: Cash generated from core business operations.

- Investing Activities: Cash used for investments in assets.

- Financing Activities: Cash flows from borrowing and repaying debt, and equity financing.

Each of these features is critical for maintaining accurate and efficient financial management within a business, and tools like Tally Prime are designed to provide comprehensive solutions for these accounting needs.

8.4 Basic Inventory:

Here's an explanation of the various inventory management features in Tally Prime:

Stock Items

Stock items are individual products or goods that a business trades. Each stock item in Tally Prime includes:

-Item Details: Name, description, and part number.

-Unit of Measure: The unit in which the item is measured (e.g., pieces, kilograms).

- Stock Group: Categorization for better management (e.g., electronics, apparel).

Stock Categories:

Stock categories provide a way to classify stock items based on common features or characteristics, helping in detailed reporting and analysis. For example:

- Categories: Such as 'Raw Materials', 'Finished Goods'.
- Analysis: Facilitates comparison and performance tracking within a category.

Stock Query by Stock Group or Stock Category

Tally Prime allows users to query stock based on groups or categories, providing insights into:

- Stock Levels: Current quantity on hand.
- Valuation: Value of stock based on different methods (e.g., FIFO, LIFO).
- Movements: Transactions affecting stock levels.

Multiple Godowns/Locations

Managing multiple godowns or locations allows businesses to track inventory stored at different places. Features include:

- Godown Creation: Set up multiple storage locations.
- Tracking: Monitor stock levels at each godown.
- Reporting: View reports based on location-wise stock.

Stock Transfers to Godowns

Stock transfers involve moving inventory between godowns. Tally Prime supports:

- Transfer Entries: Recording internal stock transfers.
- Tracking: Keeping track of stock movements between locations.
- Cost Allocation: Allocating transfer costs to the relevant godown.

Multiple Stock Valuation:

Tally Prime supports various stock valuation methods to meet different business needs:

- FIFO (First In, First Out): Assumes oldest inventory is sold first.
- LIFO (Last In, First Out): Assumes newest inventory is sold first.
- Weighted Average: Values inventory based on the average cost of items.
- Specific Identification: Tracks specific items for unique valuation.

Batch Wise

Batch-wise inventory management helps in tracking inventory by batches, which is crucial for perishable goods or items requiring lot control:

- Batch Numbers: Assign unique batch numbers to items.
- Expiry Dates: Track and manage expiry dates for each batch.
- Batch Reports: Generate reports based on batch information.

Alternative Units

Alternative units allow the same stock item to be managed in different units of measure:

- **Multiple Units:** Define primary and alternative units (e.g., pieces and cartons).
- **Conversion:** Set up conversion rates between units (e.g., 1 carton = 12 pieces).

Additional Cost

Additional costs refer to extra expenses associated with procuring stock items, such as:

- Freight: Transportation charges.
- Insurance: Costs of insuring the goods.
- Handling Charges: Loading/unloading fees.
- Allocation: Distribute additional costs to items to get accurate landed cost.

Sales and Purchase Order Processing

Order processing involves managing customer orders (sales) and supplier orders (purchases):

- **Sales Orders:**

- Creation: Record customer orders.
- Tracking: Monitor order status (pending, fulfilled).
- Invoicing: Convert orders into sales invoices.
- **Purchase Orders:**
 - Creation: Record orders placed with suppliers.
 - Tracking: Monitor order status (pending, received).
 - Goods Receipt: Convert orders into purchase invoices or goods receipts.
- Order Management: Ensures efficient handling and fulfillment of orders.

Putting It All Together

Combining these features, Tally Prime offers a robust inventory management system. Businesses can efficiently manage their inventory across multiple locations, track items batch-wise, and handle complex valuation and unit conversion requirements. Order processing ensures smooth transactions with customers and suppliers, while additional cost allocation provides accurate cost management. This comprehensive suite of tools supports the end-to-end inventory lifecycle, from procurement to sales, ensuring optimal stock levels and accurate financial records.

8.5 Advanced Accounting in Tally Prime:

Here's a detailed explanation of the various advanced accounting features in Tally Prime:

Multiple Companies:

Tally Prime allows businesses to manage multiple companies within a single software installation. This feature is beneficial for businesses with multiple legal entities or branches. Key aspects include:

- Company Creation: Set up multiple companies with their own unique financial records.
- Inter-Company Transactions: Record and manage transactions between companies.
- Consolidated Reporting: Generate consolidated financial statements for multiple companies.

Multi-Currency:

The multi-currency feature in Tally Prime enables businesses to handle transactions in different currencies. This is essential for businesses dealing with international clients or suppliers. Key features include:

- Currency Setup: Define multiple currencies with exchange rates.
- Transaction Recording: Record sales, purchases, and other transactions in foreign currencies.
- Exchange Rate Management: Update and manage exchange rates for accurate currency conversion.
- Reporting: Generate reports in base currency with conversion details.

Multiple Financial Years

Tally Prime supports the management of multiple financial years, allowing businesses to seamlessly transition from one financial year to the next. This feature includes:

- Year-End Process: Carry forward balances to the next financial year.
- Historical Data Access: Access and compare financial data across multiple years.
- Reporting: Generate reports for any financial year without closing the previous one.

Post-Dated Vouchers:

Post-dated vouchers in Tally Prime are used to record transactions that will take effect in the future. This is useful for planning and managing future cash flows. Key aspects include:

- Voucher Entry: Record vouchers with a future date.
- Tracking: View post-dated vouchers separately to distinguish them from current transactions.
- Automatic Posting: Vouchers become effective automatically on the specified date.

Percentage-Based Reporting

Percentage-based reporting allows businesses to generate reports that show financial data as a percentage of a specific base value. This is useful for analysis and comparison. Key features include:

- Sales Analysis: View sales figures as a percentage of total sales.
- Expense Analysis: View expenses as a percentage of total income.
- Profitability Analysis: Analyze profit margins as a percentage of sales.

Ratio Analysis:

Ratio analysis in Tally Prime provides insights into the financial health and performance of a business by calculating various financial ratios. These ratios help in making informed decisions. Key ratios include:

- Liquidity Ratios: Measure the ability to meet short-term obligations (e.g., Current Ratio, Quick Ratio).
- Profitability Ratios: Assess the ability to generate profit (e.g., Gross Profit Margin, Net Profit Margin).
- Solvency Ratios: Evaluate long-term financial stability (e.g., Debt to Equity Ratio).
- Efficiency Ratios: Analyze how effectively resources are used (e.g., Inventory Turnover Ratio).

8.6 Advanced Inventory:

Here's an in-depth explanation of additional inventory management and sales features in Tally Prime:

Bill of Material (BOM):

The Bill of Material (BOM) is a comprehensive list of components, materials, and instructions required to manufacture a product. In Tally Prime, BOM is used for managing production and inventory. Key aspects include:

- Components List: Detailed list of raw materials, parts, and sub-assemblies required to produce a finished product.
- Quantity: Specifies the quantity of each component needed.
- Production Process: Includes steps and instructions for assembling the components.
- Cost Tracking: Helps in calculating the total cost of production, including materials and labour.

8.7 Reorder Levels

Reorder levels help businesses maintain optimal inventory levels by specifying the minimum quantity of stock that must be available before placing a new order. In Tally Prime, this feature includes:

- Minimum Stock Level: The threshold below which new stock needs to be ordered.
- Maximum Stock Level: The upper limit to avoid overstocking.
- Reorder Quantity: The suggested quantity to order when the stock reaches the reorder level.
- Alerts and Notifications: Automatic alerts when stock levels fall below the reorder point.

8.8 Stock Ageing Analysis:

Stock ageing analysis helps businesses evaluate how long inventory has been in stock. This is crucial for managing inventory efficiently, particularly for perishable goods. Key features include:

- Ageing Buckets: Categorize stock based on the duration it has been held (e.g., 0-30 days, 31-60 days, 61-90 days).

- Detailed Reports: Generate reports showing the age of each stock item.

- Actionable Insights: Identify slow-moving or obsolete stock and take necessary actions such as discounts or promotions.

8.9 Batch Related Reports

Batch-related reports provide detailed information about inventory batches, which is important for managing perishable goods, pharmaceuticals, and other batch-specific items. Tally Prime offers:-

- Batch Tracking: Monitor inventory batches throughout the supply chain.
- Expiry Management: Track expiry dates to ensure timely sales or disposal of products.
- Batch-wise Reports: Generate reports that provide insights into batch-specific details like production date, expiry date, and quantity.
- Quality Control: Ensure that products meet quality standards by tracking batch information.

8.10 Point of Sale (POS):

Point of Sale (POS) systems facilitate retail transactions by managing sales at the point where the customer makes a purchase. Tally Prime's POS features include:

- Sales Invoicing: Quick and efficient generation of sales invoices at the point of sale.
- Barcode Scanning: Support for barcode scanning to speed up the billing process.
- Multiple Payment Modes: Accept various payment methods, including cash, credit/debit cards, and digital payments.
- Inventory Updates: Real-time update of inventory levels with each sale.
- Customer Management: Maintain customer details and transaction history for better service and marketing efforts.
- Discounts and Promotions: Apply discounts and promotional offers at the time of sale.

Statutory Features in Tally Prime:

Here is an explanation of the GST, TDS, TCS, and payroll features in Tally Prime:

8.11 Goods and Services Tax (GST)

GST is a comprehensive indirect tax levied on the manufacture, sale, and consumption of goods and services in India. Tally Prime supports comprehensive GST compliance with features like:

1. GST Setup and Configuration

- GST Registration: Enter and manage GSTIN for your business.
- Tax Rates: Configure GST rates for different items and services.
- HSN/SAC Codes: Maintain HSN (Harmonized System of Nomenclature) codes for goods and SAC (Service Accounting Code) for services.

2. GST Invoicing:

- GST Compliant Invoices: Generate invoices that include all mandatory GST details.
- Bill of Supply: Create bills of supply for exempted goods and services.

3. GST Returns:

- GSTR-1: Prepare and file outward supply details.
- GSTR-2A: Match and reconcile inward supplies.
- GSTR-3B: Prepare and file monthly summary returns.
- GSTR-9: Annual return filing.

4. Input Tax Credit (ITC):

- ITC Management: Track and claim input tax credit on purchases.
- Reconciliation: Reconcile ITC with GSTR-2A.

5. GST Reports:

- Summary Reports: Generate summary reports for all GST transactions.
- Detailed Reports: Access detailed reports for GSTR-1, GSTR-2A, and GSTR3B.

8.12 Tax Deducted at Source (TDS):

TDS is a means of collecting tax at the source from where an individual's income is generated. Tally Prime's TDS features include:

1. TDS Configuration:

- TDS Nature of Payment: Set up different nature of payments for TDS deduction (e.g., salary, contract payments).
- TDS Rates: Define and manage TDS rates.

2. TDS Deduction:

- Automatic Deduction: Automatically deduct TDS on applicable transactions.
- Expense Booking: Book expenses net of TDS.

3. TDS Returns:

- Form 26Q: Quarterly returns for payments other than salary.
- Form 24Q: Quarterly returns for salary payments.
- Form 27Q: Returns for payments to non-residents.

4. TDS Reports:

- TDS Computation: Detailed computation of TDS for different periods.
- Challan Reconciliation: Reconcile TDS payments with challans.

8.13 Tax Collected at Source (TCS):

TCS is the tax collected by the seller at the time of sale, which the buyer has to pay over and above the sale price. Tally Prime's TCS features include:

1. TCS Configuration:

- TCS Nature of Goods: Define categories for which TCS is applicable.
- TCS Rates: Set up applicable TCS rates.

2. TCS Collection:

- Automatic Collection: Automatically collect TCS on applicable sales.
- Invoice Generation: Include TCS details in invoices.

3. TCS Returns:

- Form 27EQ: Quarterly return for TCS collected.

4. TCS Reports:

- TCS Computation: Detailed computation and summary of TCS collected.
- Challan Reconciliation: Reconcile TCS payments with challans.

8.14 Payroll:

Payroll management in Tally Prime covers all aspects of employee salary processing and statutory compliance. Key features include:

1. Payroll Setup:

- Employee Details: Maintain detailed employee records.
- Salary Structures: Define salary structures with earnings, deductions, and benefits.

2. Salary Processing:

- Attendance & Overtime: Record attendance and overtime.
- Payroll Vouchers: Generate payroll vouchers for salary disbursement.
- Payslips: Generate and distribute payslips to employees.

3. Statutory Compliance:

- Provident Fund (PF): Manage PF contributions and generate related reports.
- Employee State Insurance (ESI): Manage ESI contributions and compliance.
- Professional Tax (PT): Deduct and manage professional tax.

4. Payroll Reports:

- Salary Register: Detailed report of salary payments.
- PF/ESI/PT Reports: Compliance reports for statutory deductions.
- Tax Reports: TDS on salaries, Form 24Q, and other payroll-related tax reports.

8.15 Technology Advantages in Tally Prime:**Simple and rapid installation:**

Tally Prime has a simple, menu-driven installation procedure. The user can install the program files on any drive if the hard disk has partitions.

The user can also specify the name and directory location of the program files. Tally Prime uses minimum hard disk Unlimited multi-user support: A multi-user version of Tally Prime can be installed on a network, having any number space in the local drive. Its installation on the local disk takes just a few seconds. of computers with different operating systems such as Win 98, NT, 2000, XP etc.

Internal backup/restore:

Tally Prime has an in-built, user-friendly 'backup and restore' option. It helps the user to take a backup of one or more companies or all companies, in a single directory, in the local hard disk, or in any external media.

Data reliability:

Tally Prime offers reliable data. It uses a flexi-field, flexi-length, self-indexed, weighted file structure for an extremely compact and fast database. Tally Prime is robust. Tally Prime uses signalling quality data integrity checks, at regular levels, to ensure the complete reliability of data.

User-defined security levels:

Tally Prime offers high levels of security. Users can define multiple levels of security according to their requirements. Every authorised user in the company can have an individual password, with rights to use specific features only. The user with the administrator level password will have full access and can set controls for other users.

Data security:

Tally Prime's data integrity checks ensure that there are no external changes to the data. Tally Prime also uses a binary encoding format of storage to prevent devious grouping of information.

Tally Audit:

The Tally Prime Audit feature provides the user with administrator rights and the capability to check the entries made by the authorised users and alter these entries, if necessary. Once the entries are audited, Tally Prime displays the altered entries, if any, along with the name of the user, who has altered the entry, and the date and time of the alteration.

Tally Vault:

Tally Prime offers a data encryption option called Tally Vault. Without the valid Tally Vault password, the data cannot be accessed. Tally Prime follows the DES (Data Encryption Standard) encryption method to safeguard data. Transferring of data into a separate company: Tally Prime allows users to maintain a company for any number of financial years. Once the books of accounts have been completed for the earlier financial years, the user can split the company data

into multiple companies as per financial periods required. The user can specify the date from which the company has to be split and Tally Prime will split the company to form two companies as per periods specified. Once the data has been split, the closing balance of the first period (first company) becomes the opening balance for the next period (second company).

8.16 Multi-directory for company management:

The user can create multiple directories to store data. The data stored in these directories can be accessed directly in Tally Prime, by specifying the path.

Import/Export of data:

Any transaction can be exported and imported to other software after suitably altering the current structures to accept the Tally Prime data structure. Data can also be imported to Tally Prime by writing a TDL program. The data which is to be exported from Tally Prime can be in XML, HTML or ASCII format.

Data Synchronization:

Synchronization is the process of exchanging Tally Prime data between two or more locations. This process enables a branch office to send its data to the head office, over the Internet or a private network. Graphical analysis of data: Tally Prime provides graphical analysis of data which helps the user to perform deeper analysis. The user can generate graphical analysis reports such as Sales register, Purchase register, Ledgers, Funds flow, Cash flow, Stock Item registers and so on. This helps the management to quickly judge performance and be better prepared for difficult times.

Technology Disadvantages in Tally Prime:

Tally Prime is a robust and widely used accounting software, but like any technology, it has its own set of disadvantages. Here are some of the potential drawbacks associated with Tally Prime:

1. Limited Customization:

- Preset Functionality: Tally Prime offers a range of pre-configured functionalities that may not cater to all specific business needs. Customizing reports or processes to suit unique requirements can be limited.
- Customization Complexity: Customizing Tally Prime often requires deep technical knowledge or the assistance of a Tally expert, which can be costly and time-consuming.

2. Steep Learning Curve:

- Complex Interface: The user interface, though improved in Tally Prime, can still be complex for new users, especially those not familiar with accounting principles.
- Training Requirement: Businesses may need to invest in training for their employees to fully utilize all the features of Tally Prime.

3. Integration Challenges:

- Limited Integration: Tally Prime does not easily integrate with many third-party applications and services out of the box. This can be a drawback for businesses that use multiple software systems and require seamless integration.
- Manual Data Entry: Due to limited integration capabilities, there may be a need for manual data entry, which can be prone to errors and time-consuming.

4. Cost:

- Initial Investment: The initial cost of purchasing Tally Prime can be high for small businesses.
- Ongoing Costs: There are additional costs for annual maintenance, upgrades, and potential customization.

5. Scalability Issues:

- Limited Scalability: Tally Prime is well-suited for small to medium-sized enterprises. However, as a business grows into a larger enterprise with more complex needs, Tally Prime may not scale effectively to handle high volumes of transactions and more complex operations.

6. Data Security Concerns:

- Local Data Storage: Traditionally, Tally Prime stores data locally on the user's computer or a local server. This can pose a risk if proper backup and security measures are not in place.

- Backup Management: Users need to manually manage data backups, and failure to do so can result in data loss.

7. Dependency on Tally Experts

- Technical Support: Businesses often rely on Tally-certified experts for troubleshooting and optimizing the software, which can incur additional costs and dependencies.

8. User Restrictions

- Limited Multi-User Functionality: While Tally Prime does support multiple users, its performance can be affected when multiple users are accessing the system simultaneously, particularly in larger organizations.

- User Access Control: Setting up and managing user permissions can be cumbersome and might not be as granular as some businesses require.

9. Limited Advanced Features:

- Advanced Analytics: Tally Prime offers basic reporting and analytics. However, it lacks advanced business intelligence and data visualization features that more modern ERP systems might provide.

- Mobile Access: Although there are ways to access Tally Prime remotely, its mobile access features are not as robust as those found in cloud-based accounting solutions.

10. Updates and Patches:

- Manual Updates: Updates and patches need to be manually installed, which can be inconvenient and can disrupt business operations if not managed properly.

- Compatibility Issues: New updates may sometimes cause compatibility issues with existing data or customizations.

8.17 Keywords:

1. Simplified Navigation: Tally Prime offers an intuitive and user-friendly interface, making it easier for users to navigate through various features and perform tasks efficiently.

2. Comprehensive Accounting: It provides robust accounting capabilities, including financial management, receivables, payables, and cash flow management, ensuring accurate and timely financial reporting.

3. GST Compliance: Tally Prime is equipped with comprehensive GST features, allowing businesses to manage GST returns, invoice generation, and compliance with ease.

4. Real-time Reporting: The software offers real-time reporting and analytics, providing users with instant insights into their business performance and helping in informed decision-making.

8.18 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

Lesson - 9

COMPANY CREATION

Objective:

1. Steps to Create a Company: Detail the step-by-step process for creating a new company in Tally Prime.
2. Essential Information: Identify the essential information required during the company creation process.
3. Configuration Options: Explain the various configuration options available when setting up a new company.
4. Data Security: Discuss the importance of data security and how to secure company information in Tally Prime.
5. Customization: Explore the customization options available for tailoring the company setup to specific business needs.

Structure:

- 9.1 Introduction
- 9.2 Business Scenario
- 9.3 Procedure to Create a Company in Tally Prime
- 9.4 Company Features Screen
- 9.5 Alteration of Company
- 9.6 Shut Company in Tally Prime
- 9.7 Select Company
- 9.8 Keywords
- 9.9 Reference

9.1 Introduction:

Maintaining accounts under the manual system of accounting is a tedious and time-consuming activity. Under this system, transactions are first recorded in journals, then the entries are posted into the respective ledger accounts and then a trial balance is prepared, to verify whether, the ledger summaries of all account transactions are accurate. If the totals of the debit and credit side of the trial balance are not equal, then to rectify the same, adjusting entries are passed and ledger entries are corrected. Finally, the transactions data is used to prepare the accounting reports for each accounting period. With the increase in scale of business and volume of business transactions, the difficulties and complexities of maintaining accounts also increases.

Computerized accounting puts an end to the above tedious and time-consuming process. It involves the simple cycle of one-time creation of the ledgers, followed by the recording of day-to-day transactions. The rest of the accounting process including generation of financial reports is automated.

Among accounting software, Tally Prime stands out for its simplicity and efficiency. It is one of the fastest and most powerful concurrent multi-lingual Business Accounting and Inventory Management software available in the market. It is a fully integrated, affordable and highly reliable software. Tally Prime is easy to buy, quick to install, and easy to learn and use. Tally Prime is designed to automate and integrate all business operations, such as sales, finance, purchasing, inventory,

and manufacturing.

Let us understand how to get started with Tally Prime, before moving on to recording transactions.

Mouse and Keyboard Conventions:

Mouse and keyboard Convention	
Action	Particulars
Fn	Press the Function key
<u>Fn</u>	Press Alt+ Function key
<u>Fn</u>	Press Ctrl+ Function key

Switching between Screen Areas:

When Tally Prime first loads, the Gateway of Tally screen is displayed. To switch between the main screen area and calculator at the bottom of the screen, press Ctrl+N or Ctrl+M. Press Ctrl+Alt+T to navigate to Product and Features screen, press Ctrl+Alt+L to navigate to the License and Services detail screen, press Ctrl+Alt+F to navigate to Configuration Information screen.

Quitting Tally

You can exit the program from any Tally screen, but Tally requires all screens to be closed before it shuts down.

To quit working on Tally:

Press Esc until you see the message Quit? Yes or No. Press Y or Enter, or click on Yes to quit Tally

Alternatively, to Exit without confirmation, press Ctrl+Q from Gateway of Tally

You can also press Enter or Quit in the Gateway of Tally

Now that you are familiar with Gateway of Tally and keyboard conventions, let us use a business scenario to illustrate the creation of a company in Tally Prime before recording business transactions in its books of account.

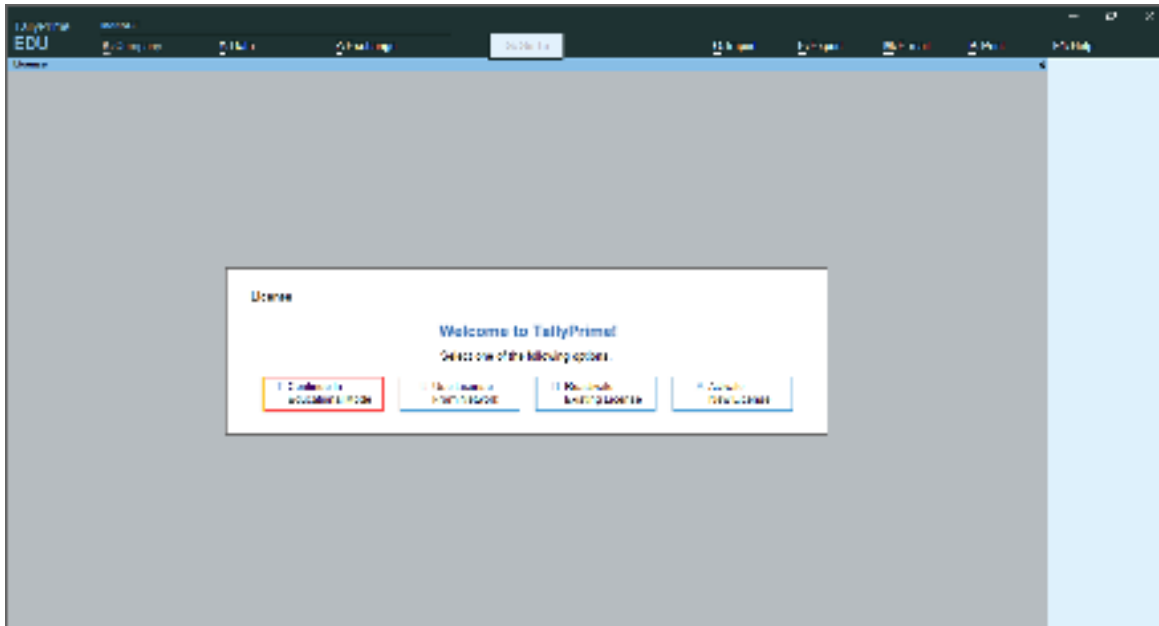
9.2 Business Scenario:

Nidhi Sales Pvt Ltd., is a dealer in computer hardware. The company maintained its accounts manually till March 2024. In April 2024, the company installed Tally Prime

After installation of Tally Prime the company's accountant is required to create the company, 'Nidhi Sales Pvt Ltd.' in Tally Prime. After company creation, ledgers and groups have to be created as per the previous year's balance sheet with their balances to record further transactions.

Working in Tally Prime:

- From the License screen, T: Continue in Educational Mode option can be selected in case you want to use Tally Prime without a license.
- This is very well used for learning purpose and also there are very few restrictions in educational mode.
- One of the major restrictions in education mode is **Date Restriction**. You can use only 1st, 2nd and 31st date of any of the month for recording a voucher or viewing a report.
- **To work on TallyPrime without License,**
- From the License screen, Click on **T: Continue in Educational Mode** in the license



The first step in working with TallyPrime is to create a Company. A Company in TallyPrime is a central repository where we can maintain all the financial records of our business, and we can extract the required financial reports and statements.

To create the company in TallyPrime, Open TallyPrime> Select Company screen appears. The same screen appears after reactivating the license in TallyPrime the Select Company screen.



Explanation about Select Company Options:

- ✓ You can create the company in the same drive where Tally Prime is installed. If required

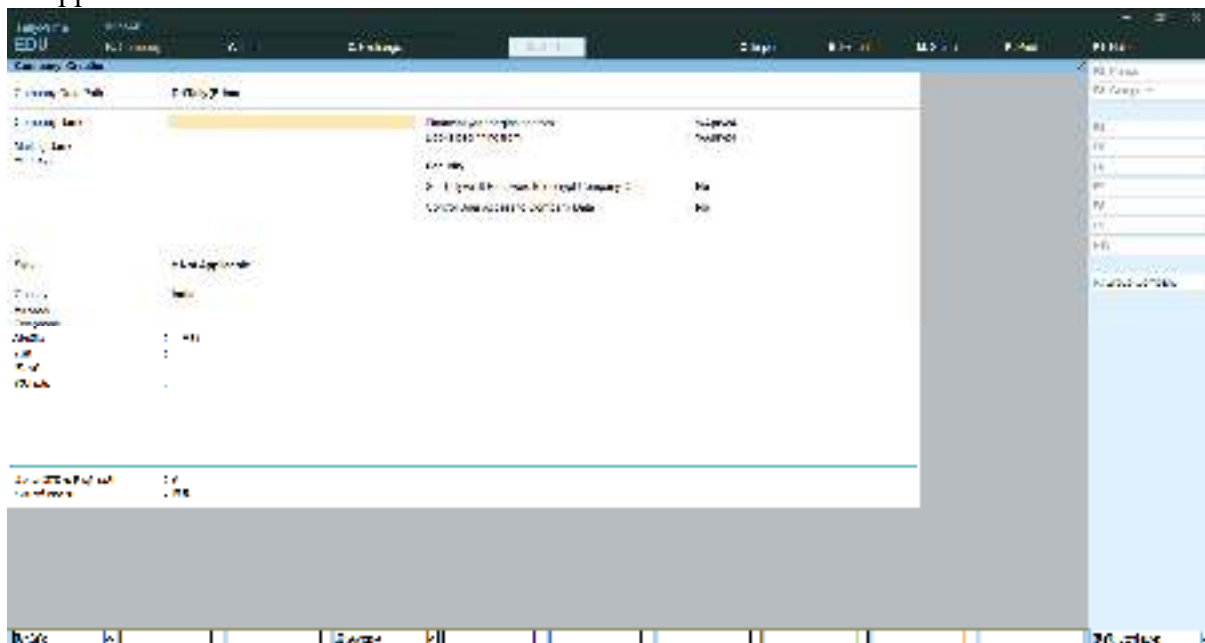
List of Companies		
Data Path/Name	Number	Period
		Create Company
		Select Remote Company
		Specify Path
		Select from Drive

you may also press backspace and change

- the Data directory drive.
- ✓ If you have configured the company for remote access feature in the remote end this option to be selected to access the data remotely.
- ✓ The Drive path can be mentioned where the data to be stored/saved. By using copy & paste
- ✓ (**Ctrl+ C** or **Ctrl +Alt+ C** for copy to paste **Ctrl +V** or **Ctrl +Alt+ V**) or type the location path manually.
- ✓ If already the transactions are recorded and maintained in D Drive, in the same location path if you want to maintain the data this option to be selected. We can also browse the required location from this option.

9.3 Procedure to Create a Company in Tally Prime:

From the Select Company Screen > Click on Company Creation Then Company screen shall be disappear like this.



The fields in the Company Creation screen and the information to be filled in each of them are explained below. To navigate between the fields, use Enter/Tab, or Mouse clicks.

Company Data path:

The path to the location of Tally Prime data is displayed here. By default, the path provided while installing Tally Prime will be displayed. However, you can press Backspace and specify the location in which you want the data to be stored.

Name: Provide a name for the company that is being created. In this example, we are creating a company named **Nidhi Sales Pvt. Ltd.**

Primary Mailing Details: The mailing name and address details are picked from here for any report such as balance sheet and statements of accounts.

Mailing name:

The name provided for the company in the Name field is automatically displayed here. However, you can change it as per requirements. The name specified here will be used for mailing purposes.

In this example, Nidhi Sales Pvt. Ltd. is retained.

Address: Fill in the company's address.

Country: Select the country in which the company is located. This will allow users to choose the statutory capabilities available for that country. In this example, the country selected is **India**.

State: This field appears once India is selected as the country. Select the State in which the company is located. In this example, Nidhi Sales Pvt Ltd is located in **Karnataka**.

1. Fill in the relevant PIN Code.
2. Fill in the relevant numbers in the Phone No., Mobile No. and Fax No fields.
3. E-mail: Fill in the company's official E-mail ID here. This will be used while E-mailing reports and statements from Tally Prime.
4. Website: Fill in the company's official website address.

Books and Financial Year Details:

Financial year begins from: This refers to the twelve-month accounting period of the company. For Nidhi Sales Pvt Ltd, the financial year begins on **1-4-2024**.

Books beginning from: The date provided in the aforesaid field will be automatically displayed here. In the example, the date is retained. However, if you have started with maintaining your books of accounts with Tally Prime mid-year, the required date can be set accordingly.

Security Control:

Tally Vault password (if any): Once you enter a password here, you will need it to open your company each time. The name of a company that is locked using Tally Vault will be hidden with the asterisk * symbol. You need to provide the Tally Vault password to open and access the company.

Use security control? : Setting this option to 'Yes' will allow you to define the access rights for each user who will access your company. This feature is explained in forthcoming volumes. For Nidhi Sales Pvt Ltd., we shall set this option to No.

Base Currency Information:

Base currency symbol: The base currency symbol will be filled as per the country selected. For India, it is ₹ .

Formal name: The currency's formal name will be filled here. In this example, it is INR (Indian Rupees).

Suffix symbol to amount? : For some countries, the currency symbol is specified after the amount. This option can be enabled for such countries, so that the currency symbol may be printed after the amount. However, Nidhi Sales Pvt Ltd., is an Indian company and hence this option is set to No.

Add space between amount and symbol: Tally Prime will provide a single space between the amount and the currency symbol, if this option is set to Yes. For e.g.: 5,000. Notice the space between symbol and the amount.

Show amounts in millions: If the company's financial statements need to have their values expressed in terms of millions, set this option to Yes.

Number of decimal places: By default, the number of decimal places for the base currency is set to 2. However, you can have up to 4 decimal places. The Indian currency has 2 decimal places whereas certain other countries require 3 decimal places and so on.

Word representing amount after decimal: The symbol for amounts expressed in decimals will be set by default. For India, it is paise.

Accounting

1. Maintain Accounts: Yes
 - This option allows the software to maintain the accounting records of the company.
2. Enable Bill-wise entry: Yes
 - This feature enables tracking of receivables and payables bill by bill.
3. Enable Cost Centres: No
 - Cost centres help in tracking income and expenses by department or project.
4. Enable Interest Calculation: No
 - This option enables the calculation of interest on outstanding amounts.

Inventory:

1. Maintain Inventory: Yes
 - This option allows the software to maintain inventory records.
2. Integrate Accounts with Inventory: Yes
 - This feature links inventory management with accounting.
3. Enable multiple Price Levels: No
 - This option allows the setting of different price levels for different customers.
4. Enable Batches: No
 - Batches are used for managing inventory based on batch numbers.
 - Maintain Expiry Date for Batches: No
 - This option tracks expiry dates for inventory batches.
5. Enable Job Order Processing: No
 - This feature manages job orders for manufacturing processes.
6. Enable Cost Tracking: No
 - This enables tracking of costs associated with various activities.
7. Enable Job Costing: No
 - This option allows costing for specific jobs or projects.
8. Use Discount column in invoices: No
 - This feature adds a discount column in the invoices.
9. Use separate Actual and Billed Quantity columns in invoices: No
 - This feature separates actual and billed quantities in invoices.

Taxation:

1. Enable Goods and Services Tax (GST): Yes
 - This enables GST features in the software.
 - Set/Alter Company GST Rate and Other Details: No
 - This allows setting or altering the GST rates and related details.
2. Enable Tax Deducted at Source (TDS): No
 - This feature manages TDS, which is a tax deduction mechanism in India.
3. Enable Tax Collected at Source (TCS): No
 - This option manages TCS, which is collected at the source of income.
4. Enable Value Added Tax (VAT): No
 - This feature enables VAT, which is another form of indirect tax.
5. Enable Excise: No
 - This option manages excise duty, a type of tax levied on the manufacture of goods.

6. Enable Service Tax: No

- This enables the management of service tax, which is a tax on services.

Online Access:

1. Enable Browser Access for Reports: Yes

- This feature allows accessing reports via a web browser.

2. Enable Tally.NET Services for Remote Access & Synchronisation: No

- This option enables remote access and synchronization using Tally.NET services.

Payroll:

1. Maintain Payroll: No

- This option manages payroll functions within the software.

- Enable Payroll Statutory: No

- This feature handles statutory requirements related to payroll, such as provident fund and employee state insurance.

Others:

1. Enable Payment Request to share payment link/QR code: No

- This option allows sharing payment requests through links or QR codes.

2. Enable multiple addresses: No

- This feature manages multiple addresses for the company, useful for multi-location businesses.

3. Mark modified vouchers: No

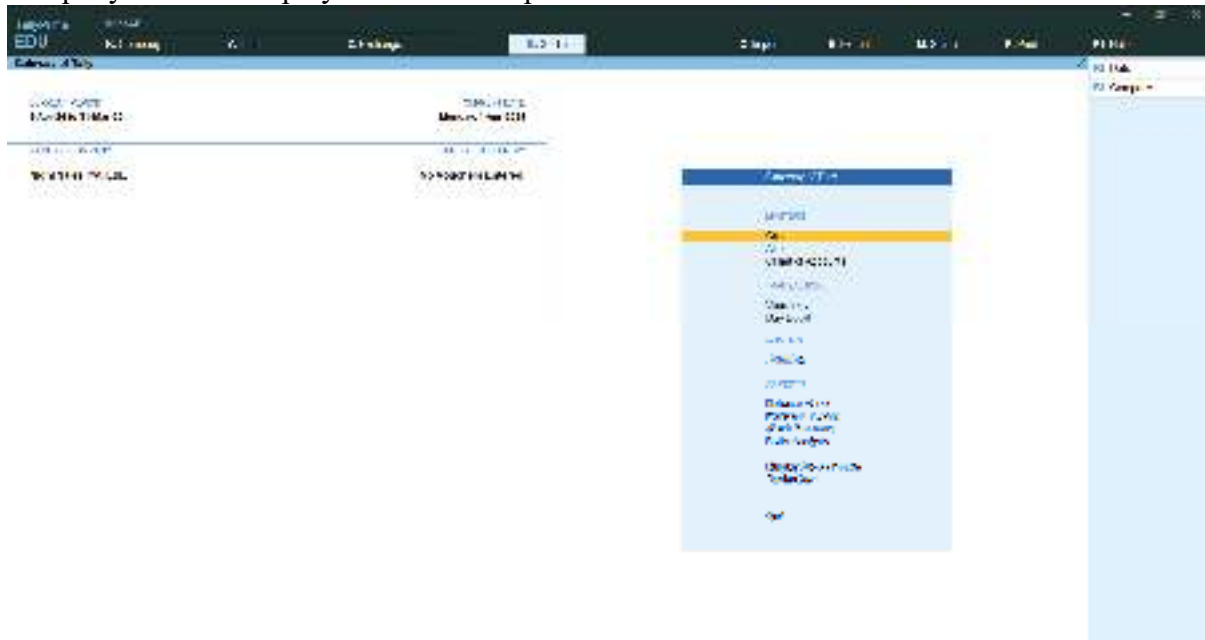
- This option marks vouchers that have been modified.

These settings can be customized based on the specific needs and business processes of "Nidhi Sales Pvt. Ltd." Each option represents a feature that can enhance the software's functionality to better align with the company's operational requirements.

(Company created, version 10.0)

Company Details		Company Details	
Company Name	: Nidhi	Company Name	: Nidhi
Company Address	: Nidhi	Company Address	: Nidhi
Accounting		Accounting	
Enable Accounting	: Yes	Enable Accounting	: Yes
Enable Bank Accounts	: No	Enable Bank Accounts	: No
Enable Cash Accounts	: No	Enable Cash Accounts	: No
Enable Credit Accounts	: No	Enable Credit Accounts	: No
Inventory		Inventory	
Enable Inventory	: Yes	Enable Inventory	: Yes
Enable Inventory with Barcode	: No	Enable Inventory with Barcode	: No
Enable Inventory with Serials	: No	Enable Inventory with Serials	: No
Enable Inventory with Units	: No	Enable Inventory with Units	: No
Enable Inventory with Brands	: No	Enable Inventory with Brands	: No
Enable Inventory with Attributes	: No	Enable Inventory with Attributes	: No
Enable Inventory with Locations	: No	Enable Inventory with Locations	: No
Enable Inventory with Suppliers	: No	Enable Inventory with Suppliers	: No
Enable Inventory with Customers	: No	Enable Inventory with Customers	: No
Enable Inventory with Vendors	: No	Enable Inventory with Vendors	: No
Reports		Reports	
Enable Reports	: Yes	Enable Reports	: Yes
Enable Reports with Filters	: No	Enable Reports with Filters	: No
Others		Others	
Enable Payment Request to share payment link/QR code	: No	Enable Payment Request to share payment link/QR code	: No
Enable Multiple Addresses	: No	Enable Multiple Addresses	: No
Enable Mark Modified Vouchers	: No	Enable Mark Modified Vouchers	: No

The message Accept Yes or No will be displayed. Press Enter or Y to Save the details. After Saving the Company Features Screen, The gateway of Tally Screen will appear with the company's Name Displayed on the Left pane

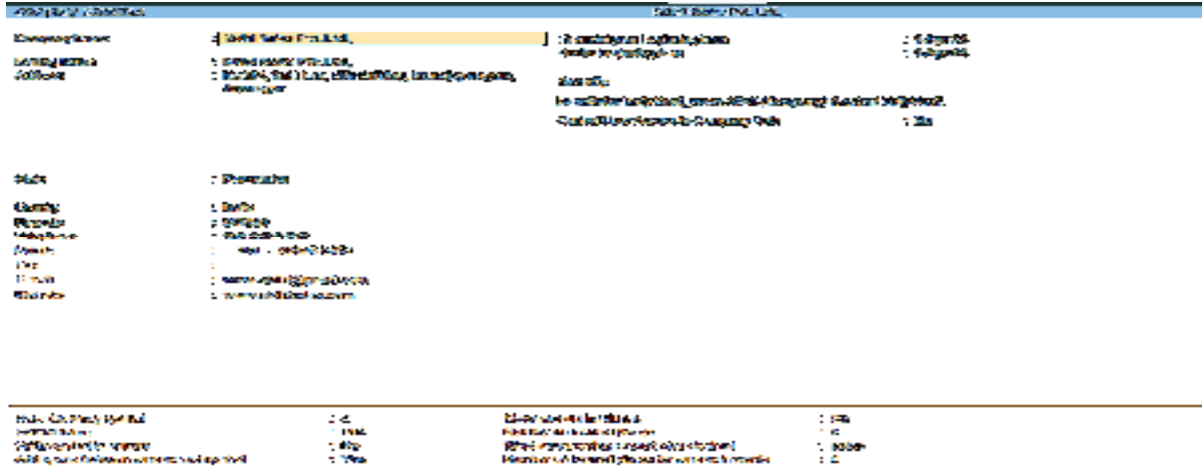


9.5 Alteration of Company:

Altering a company in software like Tally Prime involves making changes to the company's existing settings and configurations after it has been created. This process allows you to update company information, enable or disable features, and adjust various settings to better suit the evolving needs of the business.

Navigation Path to Alter a Company Details:

To alter the company details such as (Company name, Address etc) in Tally Prime, From **Gateway of Tally**>click on **K: Company** > select **Alter** >Inthe **Company Alteration** screen, make the necessary changes.

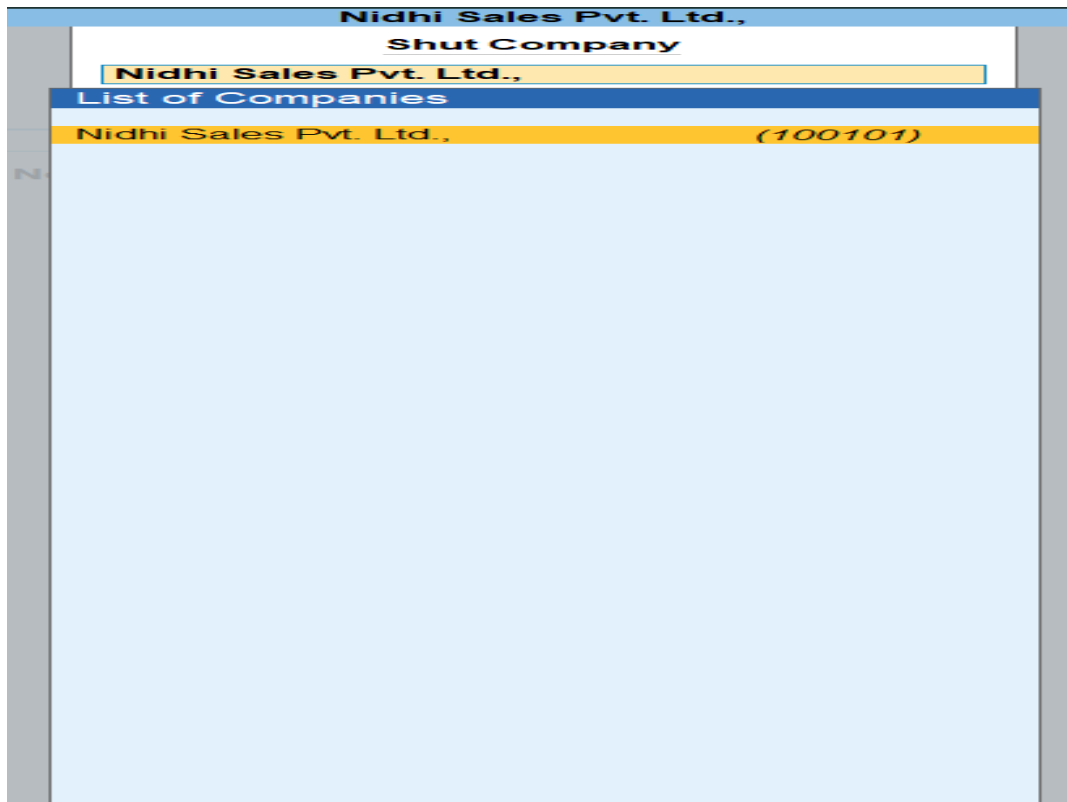


9.6 Shut Company in Tally Prime:

In Tally Prime, shutting a company means temporarily closing the company session without deleting the company data. This is often done to switch between companies or to end the work session securely.

Navigation path Towards Shut Company:

From **Gateway of Tally** > click on **K: Company** > select **Shut (Ctrl+F3)** > **Shut Company** screen appears.

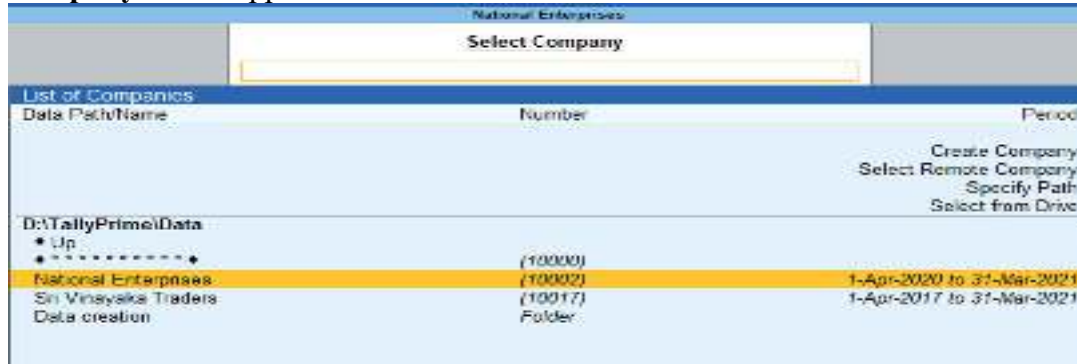


9.7 Select Company:

In Tally Prime, the "Select Company" option allows you to open an existing company that you have already created. This is essential for working with the specific data and configurations of that company.

Navigation path Towards Shut Company:

From **Gateway of Tally**>click on **K: Company** > select **Select Company (Alt+F3)** > **Select Company** screen appears.



9.8 Keywords:

1. Business Plan: Develop a comprehensive strategy outlining goals, target market, and financial projections.
2. Legal Structure: Choose an appropriate legal entity (LLC, Corporation, etc.) and register the business.
3. Funding: Secure necessary capital through loans, investors, or personal savings.
4. Operations: Establish efficient operational processes, hire staff, and launch marketing campaigns.

9.9 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

Srihari Nizampatnam

Lesson - 10

TALLY GATEWAY SCREEN

Objective:

1. Introduction to Gateway of Tally: Explain the purpose and components of the Gateway of Tally screen.
2. Navigation: Describe how to navigate through the different sections of the Gateway of Tally.
3. Accessing Features: Discuss how to access various features and modules from the Gateway of Tally.
4. User Management: Explain the process of managing user roles and permissions from the Gateway of Tally.
5. Best Practices: Provide best practices for effectively using the Gateway of Tally screen for efficient workflow.

Structure:

- 10.1 Using the Dashboard
- 10.2 Navigating from Anywhere to Anywhere in Tally Prime
- 10.3 Top Menu
- 10.4 Benefits of Using the Top Menu
- 10.5 Go To Scenario
- 10.6 F12: Configuration in Tally Prime
- 10.7 Keywords
- 10.8 Reference

10.1 Using the Dashboard:

The dashboard provides quick access to important features and reports, ensuring you can efficiently manage your company's data and perform necessary transactions. The navigation menu on the right allows you to easily create, alter, and view essential data and reports. By understanding these features and shortcuts, you can effectively manage your company in Tally Prime, ensuring accurate accounting, inventory management, and compliance with statutory requirements.

Getting Started with Tally Prime:

Tally Prime helps to run your business the way you want to. Tally Prime gives you a simple and consistent experience, along with ease of discoverability of features across.

10.2 Navigating from Anywhere to Anywhere in Tally Prime

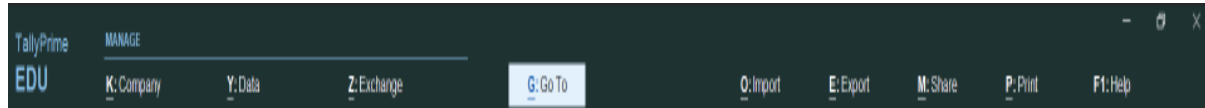
In Tally Prime, you can navigate or configure company and external operations from anywhere in the application.

Top Menus are consistent and always available throughout the application to perform any operations from anywhere without getting distracted from the current task that is being performed.

10.3 Top Menu:

In Tally Prime, we can perform various tasks using the **Top Menu** options, without having to follow a rigid set of steps for each task.

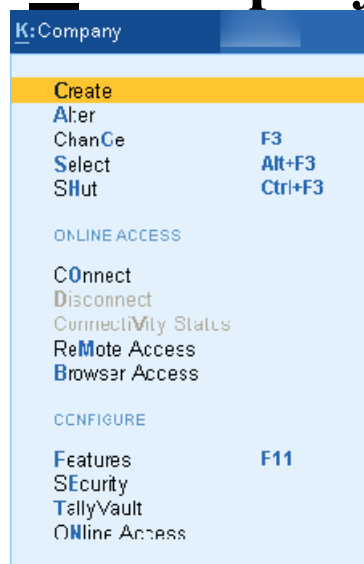
Using the Top Menu in Tally Prime, now you can navigate from '**Anywhere to Anywhere**' within Tally Prime without the need to know any navigation path or learn the short cuts keys to



reach to any reports or create any transactions.

By Clicking on this option, the following actions can be performed using a single menu

K: Company



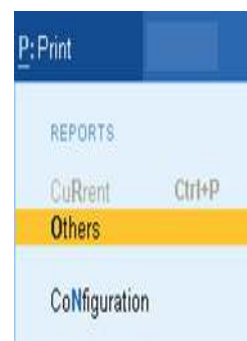
Y: Data



Z: Exchange



P: Print



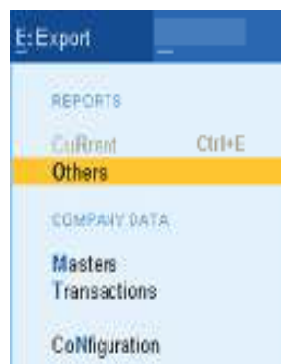
F1: Help



O: Import



E: Export



The top menu in Tally Prime visible in your screenshot, provides access to various functionalities essential for managing your company's financial and operational data. Here's a detailed explanation of each item in the top menu:

Top Menu in Tally Prime

1. **K: Company**

- Company: This option allows you to perform various company-related tasks such as selecting, creating, altering, and shutting companies. It is fundamental for managing multiple companies within Tally Prime.

- Select Company (F3): Open an existing company.
- Create Company: Set up a new company in Tally Prime.
- Alter Company: Modify the details and settings of an existing company.
- Shut Company (Alt + F1): Close the current company session.

2. **Y: Data**

- Data: This section deals with data-related operations such as backup, restore, splitting company data, and importing/exporting data.

- Backup: Create a backup of your company data.
- Restore: Restore company data from a backup file.
- Split Company Data: Split your company data into different financial years.
- Import Data: Import data from other sources or previous versions.
- Export Data: Export data for reports, analysis, or to share with other systems.

3. **Z: Exchange:**

- Exchange: Manage data exchange between Tally Prime and other systems or users. This is useful for synchronization and sharing data.

- Send for Remote Access: Allow access to your company data remotely.
- Receive from Remote Access: Receive data from remote access.
- Configure Synchronization: Set up synchronization settings for data exchange.

4. **G: Go To**

- Go To: A quick access feature that allows you to navigate directly to any report, transaction, or feature within Tally Prime. This enhances efficiency by reducing the time spent navigating through menus.

5. **O: Import**

- Import: Import data into Tally Prime from external sources, such as spreadsheets, other software, or previous versions of Tally.

- Masters: Import master data such as ledgers and stock items.
- Transactions: Import transaction data like sales, purchases, receipts, and payments.

6. **E: Export**

- Export: Export data from Tally Prime to external formats for sharing, reporting, or analysis.

- Masters: Export master data.
- Transactions: Export transaction data.
- Reports: Export reports in various formats (Excel, PDF, XML, etc.).

7. **M: Share**

- Share: Share data and reports directly from Tally Prime with others via email or other communication methods.

8. P: Print

- Print: Print reports, vouchers, and other documents directly from Tally Prime.
- Reports: Print financial statements, inventory reports, and other analysis documents.
- Vouchers: Print sales invoices, purchase orders, and other transaction documents.

9. F1: Help

- Help: Access help resources and support for Tally Prime.
- Contents: View the help documentation.
- Support Centre: Get support from Tally Solutions.
- About Tally Prime: View information about the Tally Prime software version and licensing.

Additional Contextual Menus:

- F2: Date: Change the working date within Tally Prime. This is useful for entering transactions for different dates without changing the system date.
- F3: Company: Quickly access the company selection menu.

10.4 Benefits of Using the Top Menu:

- Efficiency: Quick access to essential features and operations enhances productivity.
- Data Management: Simplifies complex data management tasks such as backup, restore, and synchronization.
- Flexibility: Allows for easy navigation and operations across multiple companies and datasets.
- Support: Provides immediate access to help and support resources.

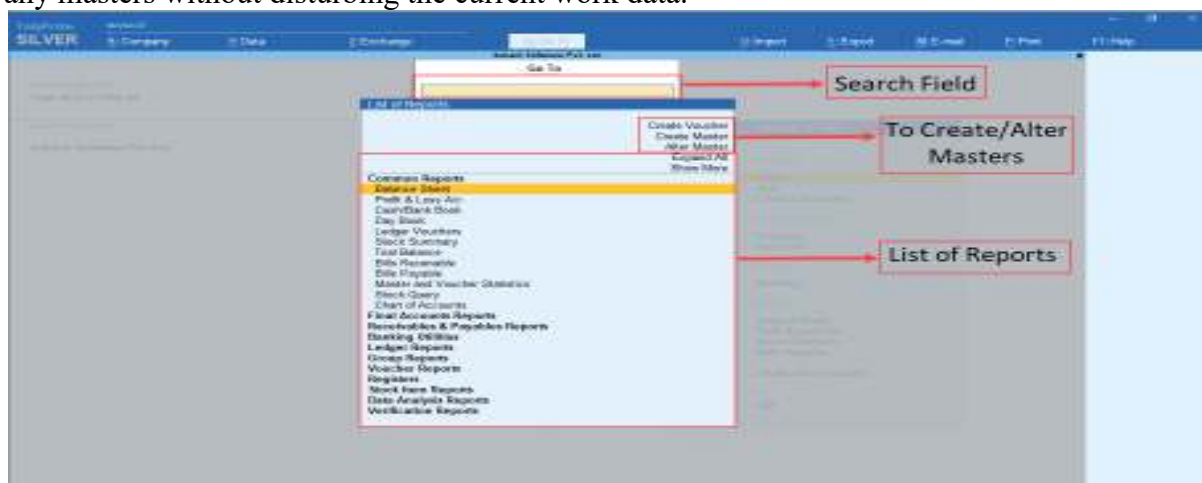
Understanding and utilizing the top menu in Tally Prime enables you to manage your company's accounting, inventory, and compliance tasks more effectively, ensuring smooth and efficient business operations.

Main Feature in Tally Prime:

Go To option from the Top Menu is one of the main features in Tally Prime

To access the feature of Go To,

From Gateway of Tally > Press Alt+ G Or Click G: Go To Open/Navigate to any report or create any masters without disturbing the current work data.



10.5 Go To Scenario:

Mr. Sachin the accountant of Nidhi Pvt. Ltd., Recording Payment Voucher

Mr. Ravi ask Sachin immediately wants a print of Profit and Loss A/c

Mr. Sachin, without disturbing the current voucher work which of the feature does he use to take the Print of Profit & Loss A/c asked by Mr. Ravi.

Switch To Scenario:

Using Switch To option, you can Open/ Navigate any report by closing the current work

Mr. Abi , an accountant of **Nidhi Pvt. Ltd.**, has created the necessary ledger like Purchase,

Sales, Customers and Suppliers account. Now, he wanted to record the purchase transaction.

Instead of going to Gateway of Tally and navigating to the voucher creation screen, he can press **CTRL+G** for **SwitchTo> Create Voucher > F9: Purchase.**

10.6 F12: Configuration in Tally Prime:

In Tally Prime the company features have been moved to the top menu.

Under **K: Company** option, the features have been revamped and arranged in Company Features based on the usability.

Most of the features which are related to masters can be enabled during master creation

The Configurations across the product are organised to meet your invoicing and reporting preferences, with:

- Proper placement and grouping for ease of find-ability
- Sequencing based on use
- Layered presentation

F12 configurations have been made changes to ensure the key settings for the values in reports are readily available under Basis of Values.

The **F12 Configuration** is moved to **Top Menu** such as **M: Email**, **P: Print** and **F1: Help**.

10.7 Keywords:

In Tally, the gateway screen is the central navigation hub where users can access various features and functions of the software. The gateway screen typically includes keywords or options that help users quickly navigate through the different modules. Here are the four lines of keywords commonly found on the Tally gateway screen:

1. Masters: This line includes options related to creating and managing master records such as ledgers, stock items, groups, and other master data.

2. Transactions: This line provides access to various transaction entries like vouchers, invoices, receipts, payments, and journal entries.

3. Utilities: This line includes tools and utilities such as banking, data synchronization, import/export, and other utility functions.

4. Reports: This line offers access to a wide range of reports, including financial statements, inventory reports, statutory reports, and other analytical reports.

These keywords help users efficiently navigate through Tally's comprehensive features and functionalities, making the accounting and business management process more streamlined.

10.8 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

Srihari Nizampatnam

Lesson - 11

Company Data Management

Objective:

1. Data Backup and Restore: Explain the importance of regular data backup and how to restore data in Tally Prime.
2. Company Data Security: Discuss measures to ensure the security and integrity of company data.
3. Data Synchronization: Describe the process of synchronizing company data across multiple locations.
4. Importing and Exporting Data: Explain how to import and export data in Tally Prime. And Data Archiving: Discuss the process and benefits of archiving old company data for future reference.

Structure:

- 11.1 Introduction
- 11.2 Why should one take the company Data Backup
- 11.3 Restoring of Company Data
- 11.4 Open Restored Company
- 11.5 Business Scenario
- 11.6 Security Features in Tally Prime
- 11.7 Overview on Security Control
- 11.8 Configuring Security Controls in Tally Prime
- 11.9 Key Security Controls in Tally Prime
- 11.10 Configuring Security Controls in Tally Prime
- 11.11 Enabling Data Encryption
- 11.12 Problems on Company Creation
- 11.13 Keywords
- 11.14 Reference

11.1 Introduction:

- It is recommended that you take a regular backup of your company data to safeguard against any form of data loss. This way you can be prepared for any adverse event, such as a virus attack a hard drive crash, and so on. Using Tally Prime, you can easily take a backup of your company data and restore it whenever needed.
 - You can also use the backup feature to move your data to another computer, or share it with your accountant or auditor for verification. Sharing the backup of the data is a much more reliable method than directly copying the company data folders.
 - It is recommended that you back up your data in a location that is separate from the original, for example, a different drive on the computer, a pen drive, a hard disk, and so on. You can even store this data on a cloud location and access it easily.
- Using Tally Prime, we can easily take a backup of a company data and restore the company data when required.

11.2 Why should one take the company Data Backup

- To Safeguard the company data against hard drive crash and virus attack
- Any Data lost will be disastrous for the Organization
- Data Backup plays a vital role

We can also use the backup feature to move your data to another computer or share it with your accountant or auditor for verification.

Taking a Backup of the Company data daily from Tally, which will help in

- Retrieving the data when the existing data is lost
- Forwarding the data backup for auditor
- Tally helps you take the backup of one or more companies in a single directory
- The Format of Data Backup taken from Tally is TBK.1800.

Options to take-up Backup and Restore:

There are two options to take-up Backup as well to restore to Tally.

Option 1: This process is featured by Tally Prime. File shall be generated in TBK1800.001 format.



TBK1800_100098.001

Option 2:

This is a shortcut method, where in user shall access the data backup from the software backend storage. File will be in the format of normal folder.

100098

Data Backup:

Data Backup from Tally Prime (Option 01)

Steps to Back up Data in Tally Prime

Open Tally Prime

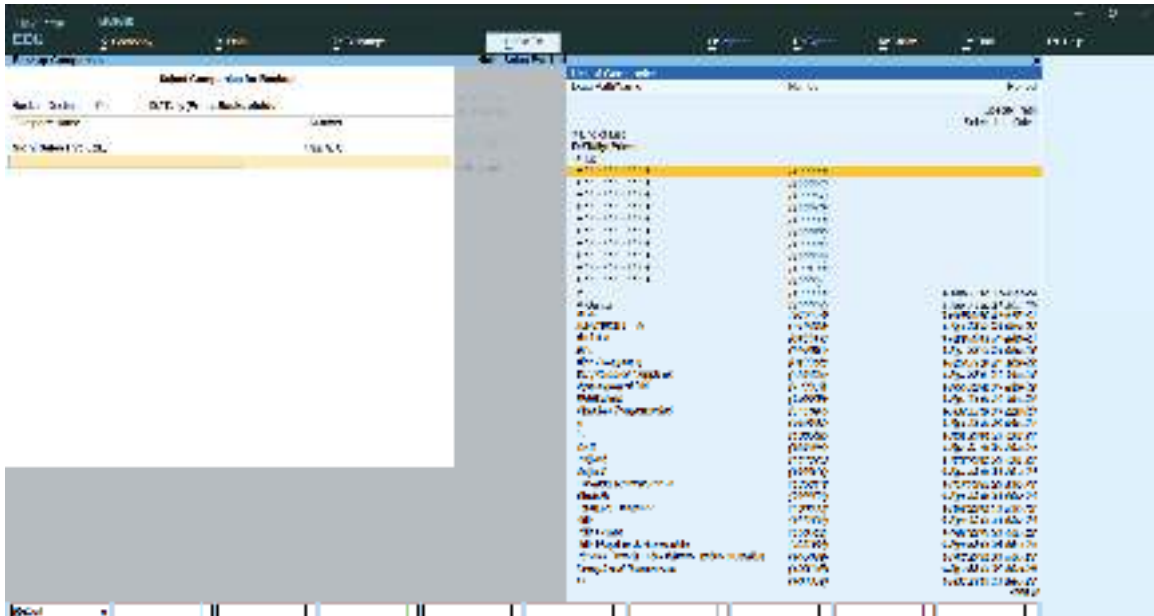
Gateway of Tally>Alt+Y

Select ' Back Up'

Select Path And Company

Process:

- Select Backup Destination Path: This is the location where your company data will be backed up. (Use Shortcut CTRL+V to paste the path)
- Select the Company which would like take Backup
- Select End of List
- Select Enter
- File shall be saved in the Backup Destination Path



Steps of Data Backup data in Tally (Option

Steps to Backup in Tally Prime

Go To My Computer

Go to 'd'Drive

Find ' Tally Prime Folder"

Go to Data Back up Path

Copy Data (Folder)

11.3 Restoring of Company Data:

Restore the correct data and relevant Data	Do not restore old or irrelevant Data
Data	ing
Restore the data which is not corrupted	Do not restore data from a damaged media
Restore the Data in different Folder	Do not restore the data in the same folder where the existing data is available, it may overwrite the existing data
Restore the data which is TBK900 format	Do not restore the data which is Data Folder 10000
While restoring the data specify the path correctly	Do not specify multiple location while restoring the Data

Steps Data Restore data in Tally (Option No:01)

Open Tally Software

Alt + Y (Data)

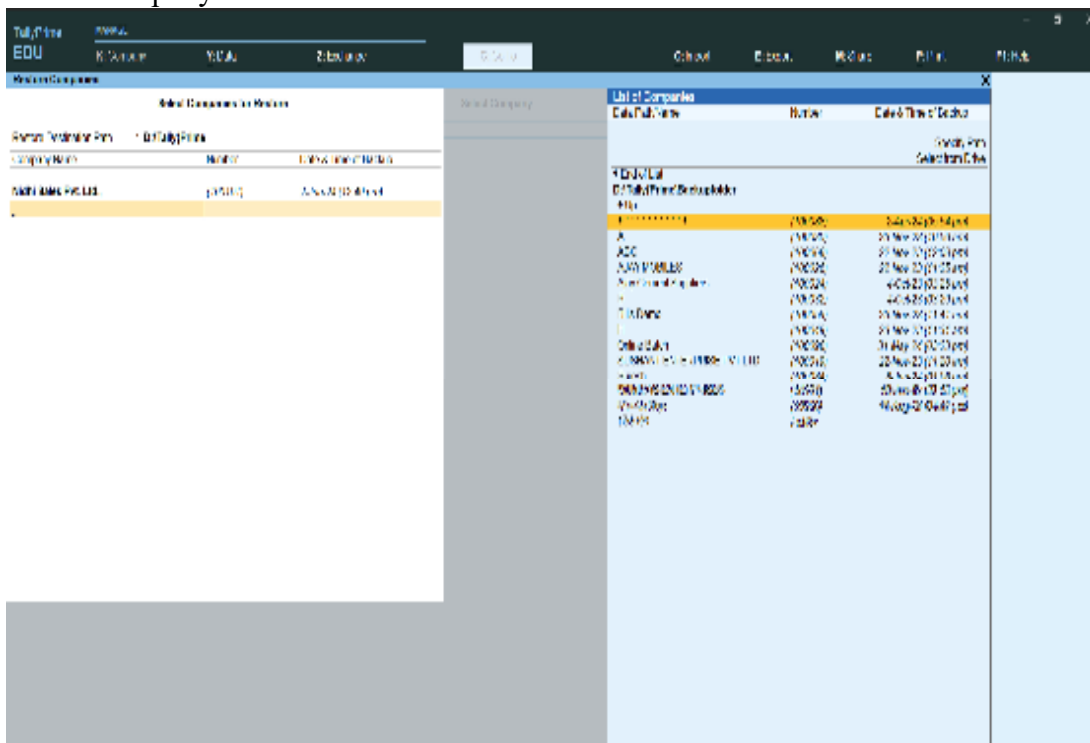
Select 'Restore'

Select Source & Destination

Process:

Select Restore Destination Path: This is the location where your company data will be restored.

- (Use Shortcut CTRL+V to paste the path)
- Select the Company which would like Restore
- Select End of List
- Select Enter
- New Company shall be Restored in Destination Path



Data Restore to Tally (option 2)

Steps to restore data in Tally (Option 2)

Go to 'My Computer'

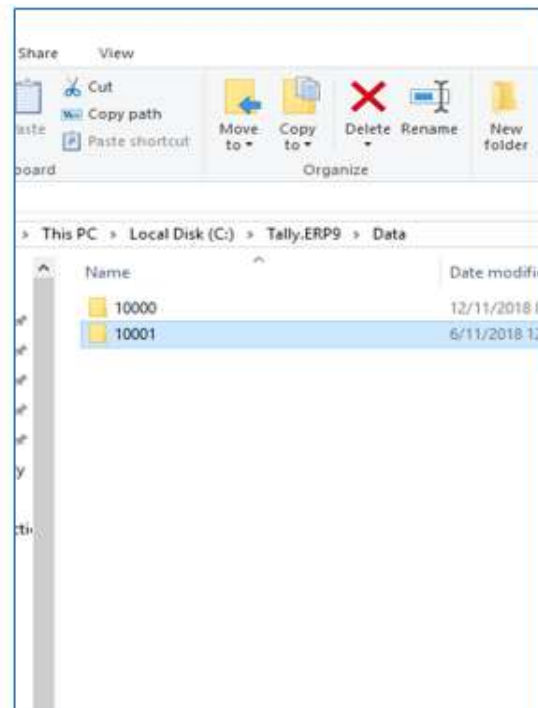
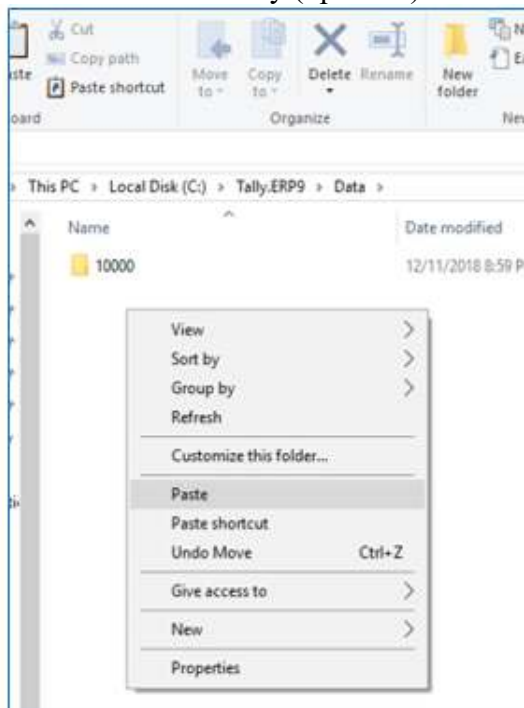
Go to d Drive

Find out 'Tally Prime Folder'

Go to "Data Backup Path"

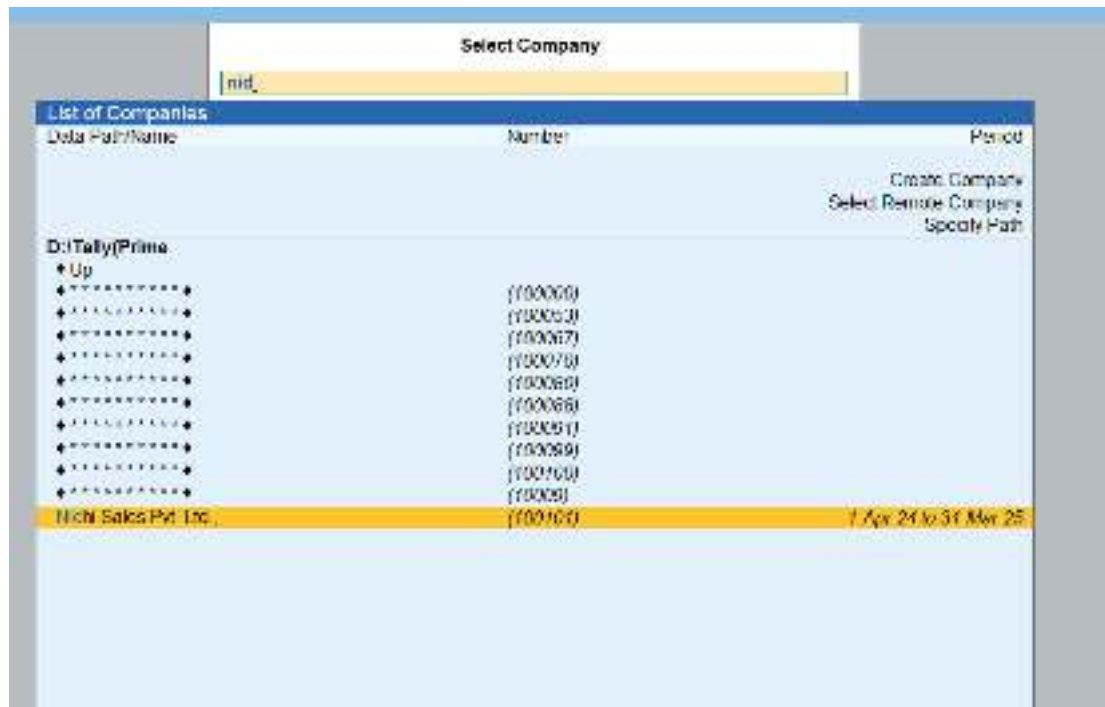
Paste Data (Folder)

Restore Screen in Tally (option 2)



11.4 Open Restored Company:

Open Tally Prime > Alt+F3 (Select Company) > and Select the company from the List of Companies and press ENTER.



11.5 Business Scenario:

Suhant Software Pvt. Ltd. had lost the company data due to a hard drive crash in the system. The company auditor advised to take a backup at frequent intervals and ensure that the data backup is secured logically and physically by using the Backup feature in Tally Prime. Now the company has decided to take a backup of the company data on daily basis from Tally Prime which will help in the below instances.

- Retrieving the data when the existing data is lost.
- Forwarding the data backup for auditor.

11.6 Security Features in Tally Prime:

Securing financial Information is a critical task of business owner, as most of the business depends on securing financial and maintain confidentiality of information.

1. Maintaining financial information is crucial and especially difficult to replace if it gets lost
2. Tally Prime is the safe platform to maintain all the business transactions
As it provides more additional security
3. Create the different levels of Users to access the company data
4. Securing financial information using the security Control and Tally Vault
5. It will help the business to maintain company data confidentially by encrypting and protecting the data.
6. To Protect the company data by providing the password and creating different user level rights
7. Mainly used in multiple environment configuration and conventional in a multi-user scenario
8. Plays significant role to secure the data to high standards

11.7 Overview on Security Control:

Tally Prime provides robust security controls to ensure that your financial data is protected and accessible only to authorized users. Here are some key security features and how to configure them:

Key Security Controls in Tally Prime

1. User Access Control:

- Tally Prime allows you to create multiple user accounts with different levels of access and permissions. This helps in managing who can view, edit, and manage various aspects of your financial data.

2. Password Protection:

- You can set passwords for users to prevent unauthorized access. Each user can have a unique username and password.

3. User Roles and Rights:

- Define roles with specific permissions to control what each user can do within Tally Prime. Roles can be customized to fit the needs of your organization.

4. Audit Trail (Edit Log):

- Tally Prime provides an audit trail feature that keeps a log of all changes made to the data. This helps in tracking who made changes and what changes were made, ensuring accountability and transparency.

5. Encryption:

- Data encryption ensures that the data stored in Tally Prime is protected against unauthorized access, making it difficult for unauthorized users to read the data.

6. Security Levels:

- Implement security levels to restrict access to sensitive information. Only users with appropriate permissions can access certain areas or features.

11.8 Configuring Security Controls in Tally Prime

Setting Up User Access Control

1. Create User:

- Go to Gateway of Tally > Alt + K (Company) > Users and Passwords > Create User.
- Enter the Username and Password.
- Assign a security level (e.g., Owner, Data Entry, etc.).

Tally Prime provides robust security controls to ensure that your financial data is protected and accessible only to authorized users. Here are some key security features and how to configure them:

11.9 Key Security Controls in Tally Prime

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- Enter the Username and Password.
- Assign a security level (e.g., Owner, Data Entry, etc.).

2. Define User Roles:

- Go to Gateway of Tally > Alt + K (Company) > Security Control > Types of Security.
- Create a new security level or modify existing ones to define specific permissions.

2. Enabling Audit Trail (Edit Log)

1. Enable Audit Trail:

- Go to Gateway of Tally > Alt + K (Company) > Features (F11) > Enable Edit Log for Vouchers.
- Set this option to Yes to activate the audit trail feature.

2. View Edit Log:

- To view the audit trail, go to Gateway of Tally > Display More Reports > Statements of Accounts > Edit Log.

3. Setting Passwords

1. Set Password for Company:

- Go to Gateway of Tally > Alt + K (Company) > Security Control > Users and Passwords.
- Enter the Administrator username and password.
- For each user, set a password.

2. User-Specific Passwords:

- Each user created can have a specific password assigned to them during the creation process.

11.11 Enabling Data Encryption

1. Data Encryption:

- During company creation or later via Gateway of Tally > Alt + K (Company) > Create/Alter Company, you can enable data encryption.
- Provide an encryption key (password) that will be used to encrypt the company data.

Best Practices for Security in Tally Prime

- Regular Password Updates: Encourage users to change their passwords periodically.
- Access Logs: Regularly review access logs and audit trails to monitor any unauthorized or suspicious activities.
- Data Backup: Regularly back up data and store backups securely.
- User Training: Train users on the importance of data security and best practices for using Tally Prime securely.
- Limit Access: Grant access only to those who need it and only to the extent necessary for their role.

By configuring these security controls and following best practices, you can significantly enhance the security of your financial data in Tally Prime, protecting it from unauthorized access and ensuring data integrity.

Define User Roles:

- Go to Gateway of Tally > Alt + K (Company) > Security Control > Types of Security.
- Create a new security level or modify existing ones to define specific permissions.

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11.12 Problems on Company Creation

Problem No:01

Create a Company with all Details

Company Name: Satyam Electronics, Address: Shop No:1, SP Road, Bangalore,
State: Karnataka, Pin Code: 560056, Financial Year From: 01-04-2024
Books Beginning from: 01-04-2024.

Problem No: 02

Name	M/s. Sandhya Traders
Address	D.NO:65-5-54, Canal Road, Near Vinayaka Temple, One Town
City	Vijayawada
Pin Code	520 001 financial 1-4-2024
State	Andhra Pradesh
Country	India
Email ID	Sandhyatraders@gmail.com
Web Site	www.sandhyatraders.com

Problem No: 03

Company Name	Mitra Auto Traders
Address	Door No:292-2-2 ,Government Vijayawada
State	Andhra Pradesh
Pin Code	520002
Financial Year from	01-04-2023
Books Beginning from	01-01-2024

Problem No: 04

Name	Play One Retail Private Limited
Address	D.NO: 256/1354a Near Hdfc Bank Upstairs of Varsha Homes, Miyapur
City	Hyderabad
Pin Code	519 182
State	Telangana
Country	India
Email ID	playonehyd@gmail.com
Web Site	www.playoneindia.com

Company Data Management	11.12	Software Solutions to Accounting
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Financial Year	2024-2025
Books Beginning from	1-08-2024

Problem No: 05

Name	Saritha Transport
Address	D.NO:436/13a Near Narayana School, lbnagar
City	Hyderabad
Pin Code	519 165
State	Telangana
Country	India
Email ID	transportsaritha@gmail.com
Web Site	www.satitha logitics.com
Financial Year	2023-2024
Books Beginning from	1-02-2024

11.13 Keywords:

1. Data Integration: Combining data from different sources to provide a unified view.
2. Data Governance: Establishing policies and procedures to ensure data quality, consistency, and security.
3. Data Analytics: Using advanced tools and techniques to analyze data and extract actionable insights.
4. Data Security: Implementing measures to protect data from unauthorized access and breaches.

11.14 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

M.P. Eshwera Rao

Lesson – 12

MASTER CREATION IN TALLY PRIME

Objective:

1. Definition and Importance: Define accounting masters and explain their importance in Tally Prime.
2. Types of Masters: Identify the different types of accounting masters such as ledgers and groups.
3. Creation Process: Detail the process of creating various accounting masters in Tally Prime.
4. Customization and Configuration: Explain how to customize and configure accounting masters to suit business needs.
5. Best Practices: Discuss best practices for maintaining and managing accounting masters effectively.

Structure:

- 12.1 Introduction
- 12.2 Accounting Masters in Tally Prime
- 12.3 Inventory Masters in Tally Prime
- 12.4 Accounting Master
- 12.5 Ledgers
- 12.6 Creation of Master Screen
- 12.7 Creation of Ledger
- 12.8 Alteration of Master
- 12.9 Deletion of Master
- 12.10 Problems on Ledgers Groupings
- 12.11 Keywords
- 12.12 Reference

12.1 Introduction:

- A chart of accounts is a listing of the names of the accounts that a company has identified and made available for recording transactions in its general ledger
- A company has the flexibility to modify its chart of accounts to best suit its needs, adding accounts as needed.
- A 'Chart of Accounts' is a list that depicts the accounts that a business uses to record transactions in its books of accounts.
- Tally automatically displays a company's chart of accounts, based on the 'Ledger' and 'Groups' that are created for the company.
- **The purpose of creating a chart of accounts is**
- Classifying, recording, and reporting on your business transactions
- To use as an aid (reference) for looking up accounts when recording transactions.
- Without a chart of accounts, a business user would find it very difficult to find a list of all his accounts.

12.2 Accounting Masters in Tally Prime

Accounting Masters are the foundational elements that enable efficient management and categorization of financial transactions. They ensure that all accounting entries are accurately recorded and organized, providing a clear financial picture of the business

1. Groups:

- Definition: Groups categorize and summarize ledgers to facilitate better financial reporting and analysis.
- Purpose: They help in grouping similar natured ledgers under a single heading. For instance, all customer accounts can be grouped under 'Sundry Debtors'.
- Types: There are primary groups and sub-groups. Tally Prime comes with predefined groups, but users can create custom groups as needed.

2. Ledgers:

- Definition: Ledgers are individual accounts where transactions related to assets, liabilities, incomes, and expenses are recorded.
- Purpose: They record detailed transactions, and each ledger must be categorized under a specific group for accurate financial reporting.
- Examples: Sales Ledger, Purchase Ledger, Bank Accounts, Expenses Ledger, etc.

3. Cost Centers:

- Definition: Cost centers allow tracking of expenses and incomes for different parts of the organization, like departments or projects.
- Purpose: They facilitate detailed financial analysis by department or project, aiding in budget management and cost control.

4. Cost Categories:

- Definition: Cost categories allow grouping of multiple cost centers for a higher level of analysis.
- Purpose: They enable comparison and reporting across different cost centers within the same category.

5. Budgets:

- Definition: Budgets in Tally Prime are tools for setting financial goals and tracking performance against those goals.
- Purpose: They help in planning and controlling finances by comparing actual performance with budgeted figures.

12.3 Inventory Masters in Tally Prime

Inventory Masters are essential for managing stock items and ensuring that inventory data is accurate and well-organized. They support the effective management of stock levels, valuation, and reporting.

1. Stock Groups:

- Definition: Stock groups categorize stock items to facilitate better inventory management and reporting.

- Purpose: They help in organizing stock items under meaningful categories, such as Raw Materials, Finished Goods, etc.
- Hierarchy: Stock groups can be primary or sub-groups.

2. Stock Items:

- Definition: Stock items represent individual inventory items that a business trades in.
- Purpose: They are the basic units for recording inventory transactions, including purchases, sales, and stock movements.
- Details: Each stock item can have details such as unit of measure, opening balance, and rates.

3. Units of Measure:

- Definition: Units of measure define the measurement units for stock items.
- Purpose: They standardize how stock quantities are recorded and reported, such as Kilograms, Liters, Pieces, etc.
- Types: Can be simple (single unit) or compound (e.g., dozen).

4. Godowns:

- Definition: Godowns are locations where stock items are stored.
- Purpose: They help in tracking the location-wise availability and movement of inventory.
- Hierarchy: Multiple godowns can be created to represent different storage locations within the organization.

5. Stock Categories:

- Definition: Stock categories allow for the classification of stock items based on similar characteristics.
- Purpose: They facilitate detailed reporting and analysis across different categories of stock items.

6. Stock Valuation Methods:

- Definition: Stock valuation methods determine how the value of inventory is calculated.
- Purpose: They impact the financial statements by affecting the cost of goods sold and ending inventory valuation.
- Types: Common methods include FIFO (First In First Out), LIFO (Last In First Out), and Weighted Average.

Summary:

In Tally Prime, accounting and inventory masters form the core structure for efficient data management and reporting. Proper setup and management of these masters ensure accurate financial records, insightful reporting, and streamlined business operations.

- Accounting Masters focus on the categorization and recording of financial transactions through groups, ledgers, cost centers, cost categories, and budgets.
- Inventory Masters deal with the organization and management of stock items through stock groups, stock items, units of measure, godowns, stock categories, and stock valuation methods.

Understanding and properly configuring these masters is crucial for the smooth functioning of any business using Tally Prime.

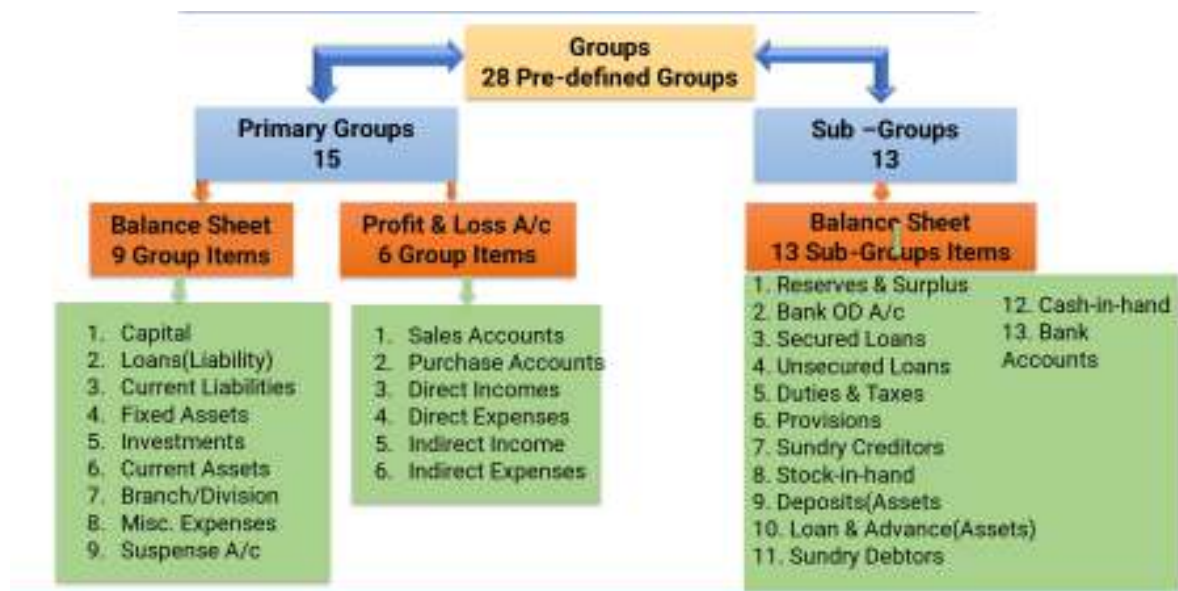
12.4 Accounting Master:

Ledger Groups:

The Accounting Groups and its impact in the Financial Statements are shown.

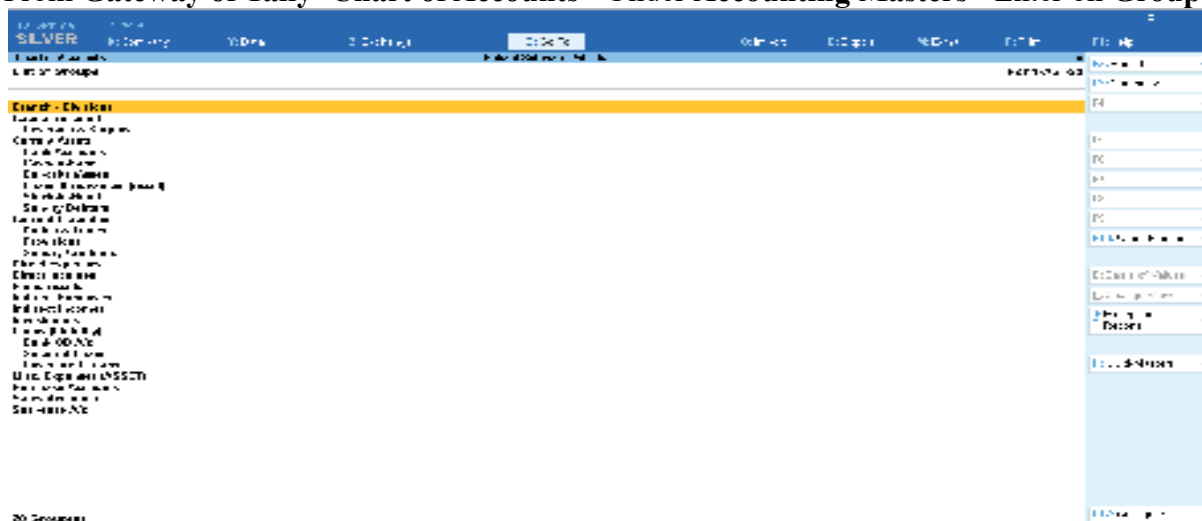
For a newly created company, there are 28 pre-defined group(s) in Tally, which are the features in the Chart of Accounts of many organizations. Out of these, 15 groups are primary groups and the remaining 13 are sub-groups.

Among the 15 primary Group(s), 9 group(s) are Balance Sheet items, and the remaining 6 Group(s) are Profit & Loss A/c items. All these 13 Sub-Group(s) are Balance Sheet items.



Navigation Path:

From **Gateway of Tally>Chart of Accounts >Under Accounting Masters> Enter on Group**



In Tally Prime, ledger groups are used to categorize and summarize ledger accounts to facilitate better financial reporting and analysis. There are 28 predefined ledger groups in Tally Prime, and these groups are essential for organizing your financial data. Below is a list of these groups, along with explanations and examples for each:

List of 28 Ledger Groups in Tally Prime

1. Capital Account:

- Explanation: Used to account for capital, reserves, surplus, drawings, and other transactions related to the owner's equity.
- Example: Owner's Capital, Partners' Capital, Reserves and Surplus.

2. Reserves and Surplus:

- Explanation: Accounts for retained earnings, reserves, and any surplus profits.
- Example: General Reserve, Retained Earnings, Dividend Equalization Reserve.

3. Current Liabilities:

- Explanation: Accounts for short-term liabilities that are due within a year.
- Example: Sundry Creditors, Outstanding Expenses, Advances Received from Customers.

4. Sundry Creditors:

- Explanation: Records amounts payable to suppliers for goods or services received.
- Example: Creditors for Raw Materials, Creditors for Services.

5. Provisions:

- Explanation: Accounts for provisions made for liabilities and expenses that are anticipated.
- Example: Provision for Taxation, Provision for Doubtful Debts.

6. Duties and Taxes:

- Explanation: Accounts for various taxes and duties payable to the government.
- Example: GST Payable, VAT Payable, Income Tax Payable.

7. Deposits (Liability):

- Explanation: Records deposits received by the business which are liabilities.
- Example: Security Deposits from Customers, Rent Deposits Received.

8. Loans (Liability):

- Explanation: Accounts for loans and borrowings that are liabilities.
- Example: Bank Loan, Loan from Financial Institutions.

9. Bank OD Accounts:

- Explanation: Accounts for overdraft accounts with banks.
- Example: Overdraft with State Bank of India, Overdraft with HDFC Bank.

10. Current Assets:

- Explanation: Accounts for assets that are expected to be converted into cash within a year.
- Example: Sundry Debtors, Inventory, Cash in Hand.

11. Sundry Debtors:

- Explanation: Records amounts receivable from customers for goods or services provided.
- Example: Debtors for Product Sales, Debtors for Services.

12. Cash-in-Hand:

- Explanation: Accounts for all cash balances available on hand.
- Example: Petty Cash, Cash at Head Office.

13. Bank Accounts:

- Explanation: Accounts for all bank balances and transactions.
- Example: Savings Account with ICICI Bank, Current Account with Axis Bank.

14. Deposits (Asset):

- Explanation: Records deposits made by the business which are assets.
- Example: Security Deposit with Landlord, Fixed Deposits.

15. Loans and Advances (Asset):

- Explanation: Accounts for loans and advances given to other entities.
- Example: Loan to Employees, Advance to Suppliers.

16. Fixed Assets:

- Explanation: Accounts for long-term assets used in the business operations.
- Example: Land, Buildings, Machinery, Vehicles.

17. Investments:

- Explanation: Records investments made by the business.
- Example: Investment in Mutual Funds, Shares in Other Companies.

18. Branch/Divisions:

- Explanation: Accounts for transactions related to different branches or divisions of the business.
- Example: Branch Office Mumbai, Division A.

19. Sales Accounts:

- Explanation: Records all sales transactions of the business.
- Example: Domestic Sales, Export Sales.

20. Purchase Accounts:

- Explanation: Accounts for all purchase transactions of the business.
- Example: Raw Material Purchases, Capital Goods Purchases.

21. Direct Income:

- Explanation: Records income directly related to the core business operations.
- Example: Commission Received, Discount Received.

22. Indirect Income:

- Explanation: Accounts for income that is not directly related to the core business activities.
- Example: Interest Received, Rent Received.

23. Direct Expenses:

- Explanation: Records expenses directly related to the production of goods or services.
- Example: Raw Material Costs, Direct Labor Costs.

24. Indirect Expenses:

- Explanation: Accounts for expenses not directly tied to the production of goods or services.
- Example: Administrative Expenses, Selling and Distribution Expenses.

25. Miscellaneous Expenses (Asset):

- Explanation: Records miscellaneous expenses considered as assets until they are written off.
- Example: Preliminary Expenses, Deferred Revenue Expenditure.

26. Suspense Account:

- Explanation: Temporarily holds amounts that are yet to be classified.
- Example: Unidentified Receipts, Unallocated Expenses.

27. Profit and Loss Account:

- Explanation: Summarizes the revenues and expenses to show the net profit or loss for the period.
- Example: This account is automatically updated and shows the net result of all income and expenses.

28. Expenses (Direct and Indirect):

- Explanation: This is a broad category that includes all expense accounts, both direct and indirect.
- Example: Direct expenses could include manufacturing expenses, while indirect expenses could include office rent.

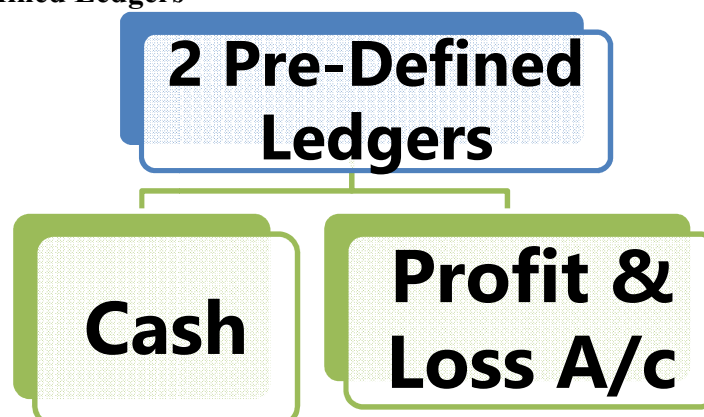
Summary:

These predefined ledger groups in Tally Prime help organize financial data systematically, making it easier to track and manage various transactions and generate accurate financial reports. Proper categorization using these groups ensures that financial statements reflect the true financial position and performance of the business.

12.5 Ledgers:

In Every Newly created company, there are two pre-defined ledgers available in Tally

The list of Pre-defined Ledgers



Navigation Path:

From Gateway of Tally > Chart of Accounts > Under Accounting Masters > Enter on Ledgers

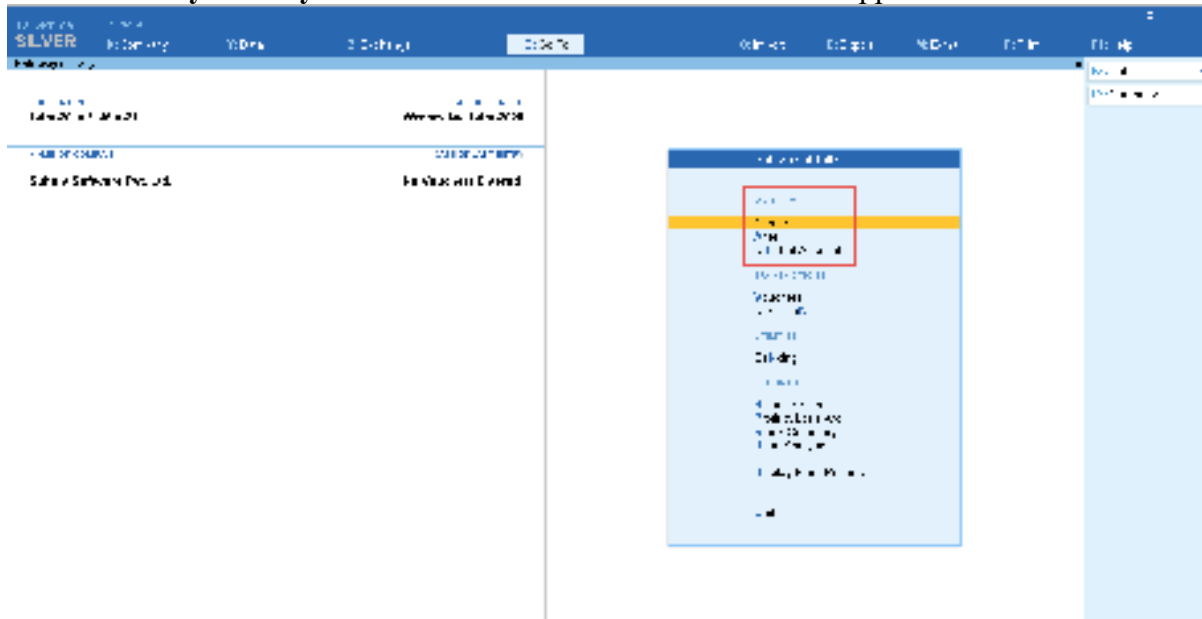


In the List of Ledgers screen, those accounts which are listed in **bold** are the parent groups and sub-groups; accounts listed in *italic* are ledgers. This will help the user to identify the nature of accounts, that is groups or ledgers.

12.6 Creation of Master Screen:

Tally Prime allows you to group your ledger accounts right at the time of creating your accounts chart. Your reports and statements always reflect the desired classification. You can create any number of masters in Tally.

From **Gateway of Tally**> Under **MASTERS**> the list of masters appears

**Creation of Ledger Groups:**

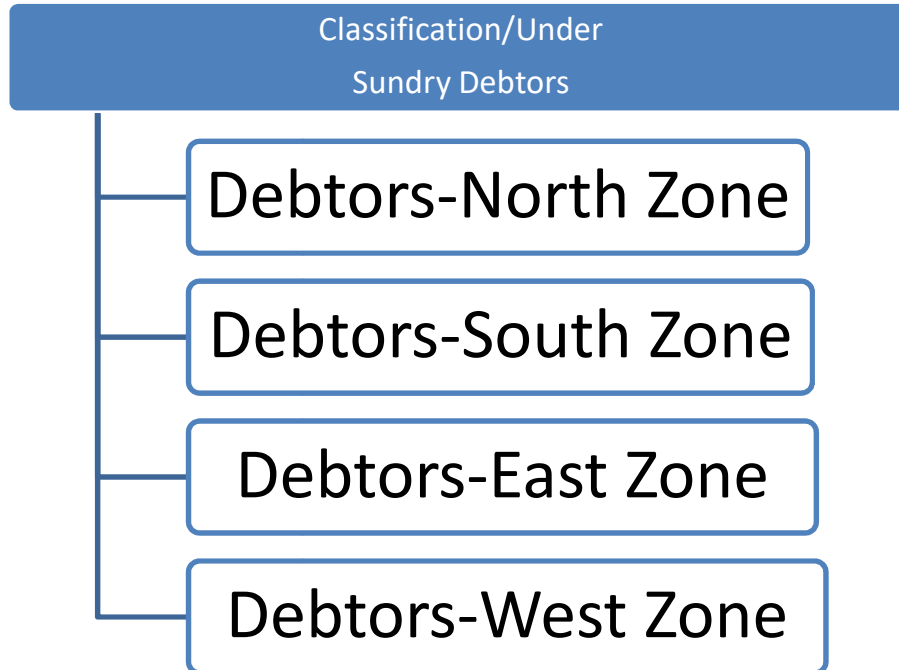
If Account groups are not created, it would be difficult to determine the Accounting nature of all the ledgers in books. Groups help in easy classification and organization of Ledgers.

You can create unlimited groups in Tally and configure the details as per the business requirement.

Now, let us illustrate the creation of **Groups** in the books of **Suhant Software Pvt. Ltd.** has customers across India, so the company wanted to classify the customers based on the regions **North, South, East** and **West**.

Account groups are maintained to determine the hierarchy of Ledger Accounts which helps determine and present meaningful and compliant reports.

Let us create the Sundry Debtors and Classify based on the region



Navigation Path:

From **Gateway of Tally>Create > under AccountingMasters> Group**

Enter the Name as Debtors North Zone > Under Debtors

Similarly let us create other Groups

Group to be created	Classification/ Under
Debtors- East Zone	Sundry Debtors
Debtors-West Zone	Sundry Debtors
Debtors-South Zone	Sundry Debtors

Group Creation	
Name :	Business Growth Zone
Gateway :	
<hr/>	
Under :	Startup Utilities (General Accounts)
Group features like a sub-ledger :	Yes
Need to add additional users for reporting :	Yes
Use for calculation for company taxes, discounts (for other business entities) :	Yes
Default to all ledger when used in purchase invoices :	Use Application

Accept ?
 Yes or No

12.7 Creation of Ledger:

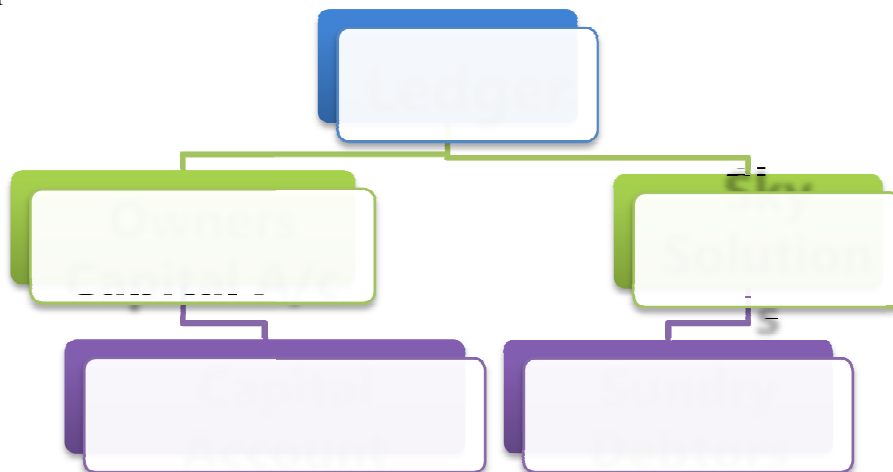
Ledgers are maintained to keep a record of all the transactions of an accounting entity.

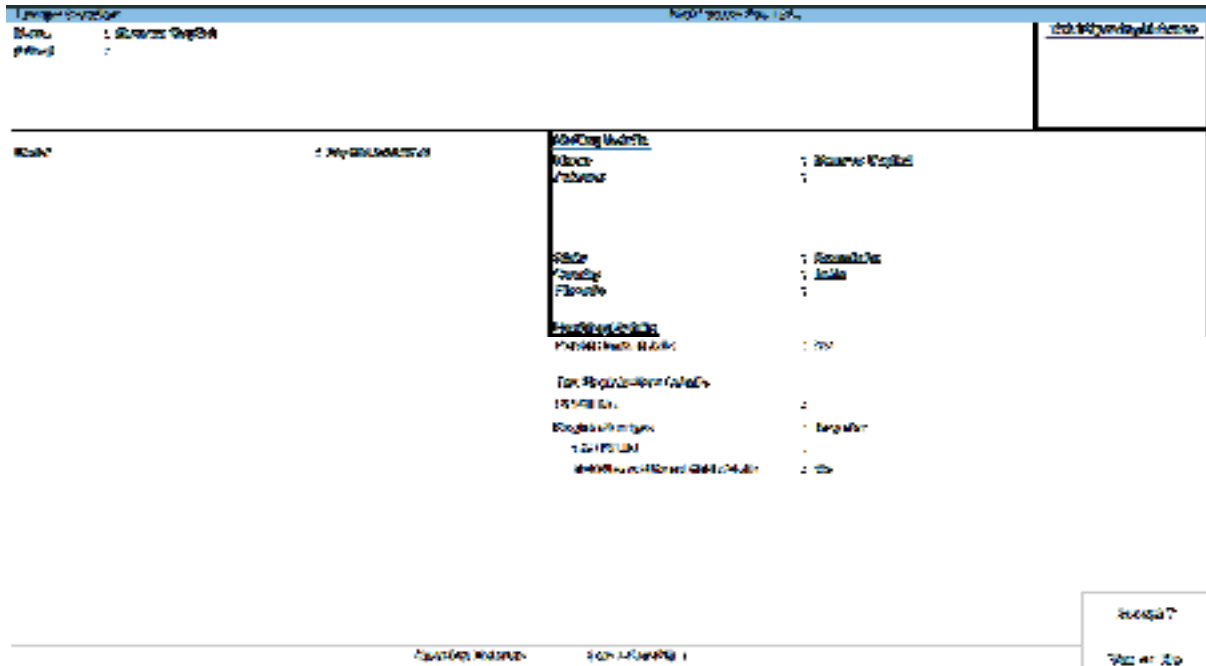
- Without ledgers, it would be difficult to organize all the transactions of an accounting entity.
- Ledgers are essential accounting books which serve to keep a record of all the transactions of a particular accounting entity.
- Tally has only two default ledgers, i.e., **Cash** and **Profit & Loss A/c**
- Creation of ledgers are necessary for recording transactions that involve other accounts.

Let us create the Ledger by using Tally,

From Gateway of Tally > Create > Under Accounting Master > Ledger

For Example:





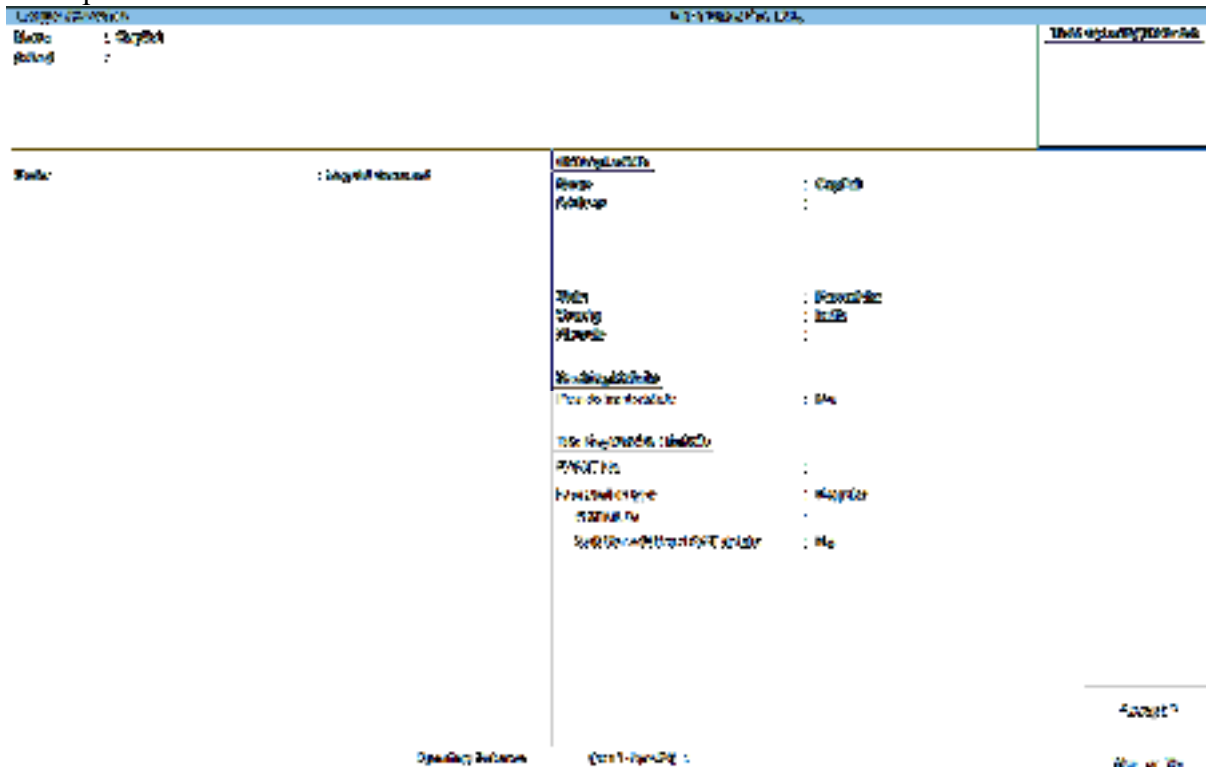
12.8 Alteration of Master:

We have learnt how to create Accounting Groups, Ledgers in TallyPrime. Now, let us walkthrough Tally how to alter the Masters which are already created.

Navigation Path:

From Gateway of Tally > Alter > Under Accounting Master > Ledger

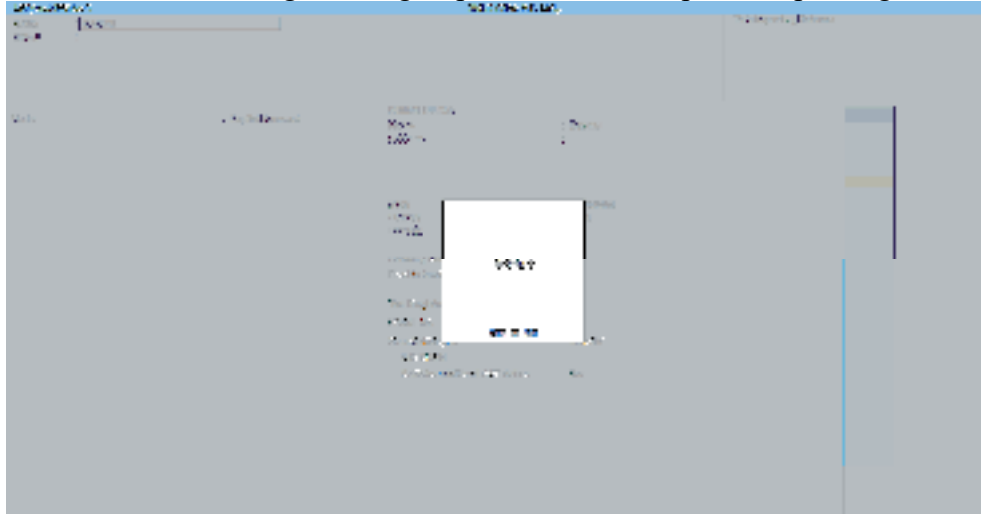
In the books of Nidhi Sales Pvt. Ltd., alter the Ledger named owners capital To Capital Account.



12.9 Deletion of Master:

Any masters created by the user such as Ledgers can be deleted from the alteration screen by using ALT+D option.

You cannot delete ledgers and groups from the Multiple Group/ Ledger Alteration mode.

**12.10 Problems on Ledgers Groupings****Problem No: 01**

NAME OF LEDGER	LEDGER GROUP
PRINTING & STATIONERY	Indirect Expenses
PURCHASES	Purchases Account
SALES	Sales Account
COMISSION RECEIVED	Indirect Income
RENT RECEIVED	Indirect Income
CAR	Fixed Asset
TAXES PAID	Indirect Expenses
CAPITAL	Capital Account
LAND & BUILDINGS	Fixed Asset
DRAWINGS	Capital Account
SURESH (CREDIT SALES)	Sundry Debtors
RAMESH (CREDIT PURCHASES)	Sundry Creditors
ICICI BANK	Bank Account
LOAN (UNSECURED LOANS)	Unsecured Loan
RENT PAID	Indirect Expenses
BANK OD	Bank OD
CGST	Duties & Taxes
SGST	Duties & Taxes
CASH IN HAND	Cash In Hand
CASH AT BANK	Current Assets
TRADEMARKS	Fixed Assets
PATENTS	Fixed Assets

INVESTMENTS (SHORT)	Investments
---------------------	-------------

Problem No: 02

NAME OF THE LEDGER	UNDER GROUP
CAPITAL	Capital Account
DRAWINGS	Capital Account
PURCHASES	Purchases Account
PURCHASE RETURNS	Purchases Account
SALES	Sales Account
SALES RETURN	Sales Account
COMMISSION PAID	Indirect Expenses
CGST	Duties & Taxes
MOBILE PHONE	Fixed Assets
ANIL (CREDIT SALE)	Sundry Debtors
TEJA (CREDIT PURCHASE)	Sundry Creditors
RENT RECEIVED	Indirect Income
BANK OD	Bank OD
CANARA BANK	Bank Account
IGST	Duties & Taxes
PATENTS	Fixed Assets
SALARIES PAID	Indirect Expenses
ADDITIONAL CAPTIAL	Capital Account
LOAN (SECURED)	Secured Loan
LAND & BUILDINGS	Fixed Assets
TRADE MARKS	Fixed Assets

Problem No: 03

NAME OF THE LEDGER	UNDER GROUP
CAPITAL	Capital Account
PURCHASES	Purchases Account
COMMISSION RECEIVED	Indirect Income
SALES RETURN	Sales Account
CGST	Duties & Taxes
LAND & BUILDINGS	Fixed Assets
RENT PAID	Indirect Expenses
FACTORY GAS	Direct Expenses
Factory Lighting	Direct Expenses
DRAWINGS	Capital Account
CASH-IN-HAND	Current Assets
SALARIES PAID	Indirect expenses
INTEREST ON CAPITAL	Capital Account
INVESTMENTS	Investments
HDFC BANK	Bank Accounts
PURCHASES RETURN	Purchases Account
SANDEEP (CREDIT SALE)	Sundry Debtors

SATISH (CREDIT PURCHASE)	Sundry Creditors
SGST	Duties & Taxes
SALES	Sales Accounts
COMMISSION PAID	Indirect Expenses
TDS	Duties & Taxes
BANK OD	Bank OD
DONATION RECEIVED	Indirect Income
BILLS PAYABLE	Current Liabilities

Problem No: 04

NAME OF THE LEDGER	UNDER GROUP
DONATIONS PAID	Indirect Expenses
PURCHASES RETURN	Purchases Accounts
RAMESH (CREDIT SALES)	Sundry Debtors
INSURANCE PAID	Indirect Expenses
FACTORY LIGHTING	Direct Expenses
DISCOUNT ALLOWED	Indirect Expenses
TCS (TAX COLLECTION SOURCE)	Duties & Taxes
VAT (VALUE ADDED TAX)	Duties & Taxes
SURESH (CREDIT PURCHASES)	Sundry Creditors
SECURED LOAN	Secured Loan

Problem No: 05

NAME OF THE LEDGER	UNDER GROUP
GOODWILL	Fixed Assets
FACTORY GAS	Direct Expenses
PURCHASES	Purchases Account
VAT (VALUE ADDED TAX)	Duties & Taxes
LOAN TAKEN FROM FRIENDS	Unsecured Loan
HDFC BANK	Bank Accounts
SALARIES PAID	Indirect Expenses
RENT RECEIVED	Indirect Incomes
BROKERAGE RECEIVED	Indirect Incomes
TRADE PAYABLE	Current Liabilities
RETURN INWARDS	Sales Accounts
ADDITIONAL CAPITAL	Capital Accounts
INTEREST ON CAPITAL	Capital Accounts
SHARES PURCHASED (INVESTMENTED) IN ABC PVT LTD	Investment Account
CGST (CENTRAL GOODS & SERVICES TAX)	Duties & Taxes
PATENTS	Fixed Assets
BANK OD	Bank OD
OPENING STOCK	Stock-in-Hand
GUNTUR BRANCH	Branch/Division

RAJU (CREDIT PURCHASES)	Sundry Creditors
GEETHA (CREDIT SALES)	Sundry Debtors
RETURN OUTWARDS	Purchases Accounts

12.11 Keywords:

1. Financial Reporting: In-depth understanding of preparing and analyzing financial statements in compliance with regulatory standards.
2. Cost Management: Techniques and strategies for managing and reducing costs to enhance business profitability.
3. Auditing: Comprehensive knowledge of internal and external auditing processes to ensure accuracy and compliance with financial regulations.
4. Taxation: Expertise in tax laws and regulations to optimize tax strategies and ensure adherence to legal requirements.

12.12 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

M.P. Eshwera Rao

Lesson - 13

INVENTORY MASTER

Objective:

1. Purpose of Inventory Masters: Explain the role of inventory masters in managing stock and inventory.
2. Types of Inventory Masters: Identify the different types of inventory masters such as stock groups, stock items, and units of measure.
3. Creation and Configuration: Detail the steps to create and configure inventory masters in Tally Prime.
4. Inventory Tracking: Describe how inventory masters help in tracking inventory levels and movements.
5. Integration with Accounting: Discuss the integration of inventory masters with accounting entries and financial statements.

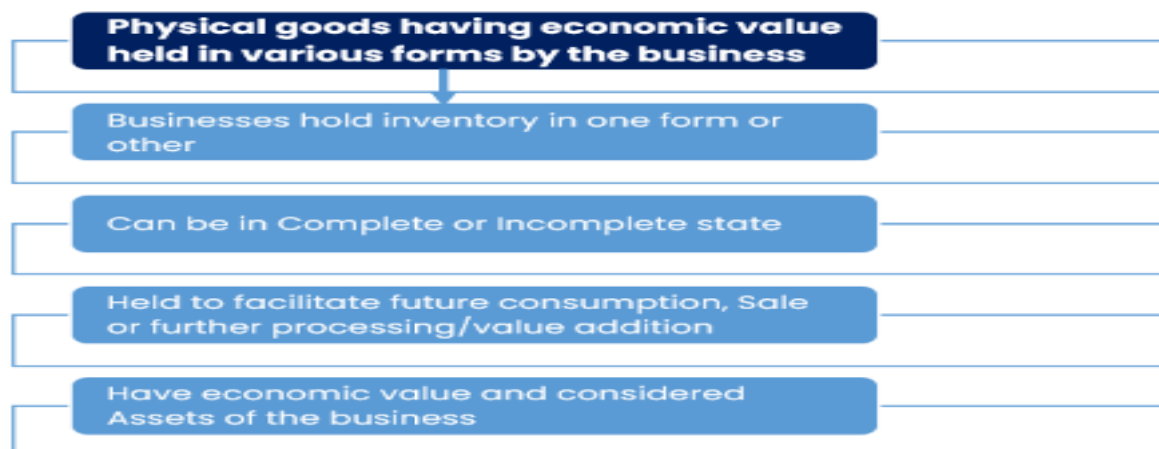
Structure:

- 13.1 Introduction
- 13.2 Inventory Management
- 13.3 Why is inventory management important?
- 13.4 What are the challenges of inventory management?
- 13.5 Process of inventory management
- 13.6 Inventory Types
- 13.7 Alteration of Stock Groups, Stock Category, Stock Items, Units of Measures
- 13.8 Deletion of Master
- 13.9 Problems on Inventory Master
- 13.10 Keywords
- 13.11 Reference

13.1 Introduction:

Inventory is an idle stock of physical goods that contain economic value and are held in various forms by an organization. Inventories are held in various forms, it can be a stock awaiting packing, processing, transformation, use or sale in a future point of time.

Any organization which is into production, trading, sales and service of a product will necessarily hold inventories to aid in future consumption and sale.



13.2 Inventory Management:

- Inventory management can be defined as a whole lot of activities done to maintain an optimum number of inventories to ensure uninterrupted production, sales, high customer satisfaction, and reduced inventory handling cost and so on.
- In simple words, inventory management is all about striking the balance between overstocking and understocking. Overstocking will lead to cash flow blockage and additional cost for managing excess stock. On the flip side, understocking leads to loss of sale due to non-availability of stock at the right time.
- Thus, it's all about maintaining the right level inventories at the right time and keeping the inventory handling cost at low.
- To be efficient in inventory management, a whole lot of activities/ techniques are to be followed by the business.

13.3 Why is inventory management important?

- Inventory management determines the stock a business should keep and when it should replenish it.
- It aims to avoid understocking and overstocking for the proper functioning of the business while meeting customer demand at all times.
- Businesses that can manage inventory well function better because they don't have unsold stock or deadstock in hand.
- A business should ideally have sufficient inventory to meet demand and be prepared for unforeseen circumstances when there is a demand surge.
- Inventory management formulas determine the ideal amount of stock, when to replenish stock, and how much to keep aside to be prepared in case of emergencies.
- Depending on our inventory type, we keep, we can use some or all of the inventory formulas for better insights into our business inventory.
- Inventory management boosts revenue by selling the inventory at the right time. Inventory management applies to every business; whether we are an e-commerce business or even if we operate a brick-and-mortar store.

13.4 What are the challenges of inventory management?

Inventory management is a challenging process, and here are some reasons

1. Difficult to predict demand

- Customer demand can change, and a lot of factors can affect demand. Take the pandemic for example. It changed consumer preferences and put the spotlight on certain essential products. As it is difficult to predict customer demand, managing inventory is a tough task because it is never guaranteed what a customer will want in the next instant.

2. Space utilization is tricky

- The way the inventory is managed can be challenging, especially when a business has several product lines. Businesses need to use the warehouse space well otherwise it can easily lead to unsold stock. If the business has multiple warehouses, then it becomes trickier to store efficiently. A lot of time is required to properly manage every warehouse.

3. Determining stock in hand

Many methods of determining the inventory at hand exist. However, it is still a challenge many businesses struggle with because it is a tedious and time-intensive task. It is prone to error

especially when there is no proper inventory management system in place. This can impact the other aspects of our business because our staff will spend most of the time counting inventory.

4. Unexpected problems in the supply chain

- If any disruptions occur in the supply chain, they will directly impact our business which can cause problems. Natural disasters and other problems can cause delays in receiving orders and disrupt our everyday business. It is difficult to always predict when a problem can happen and so businesses can never be fully prepared for it.

13.5 Process of inventory management:

Step 1: Order inventory

The first step starts with ordering raw materials and the required components required for the finished goods.

Step 2: Monitor and store inventory

Monitor the inventory received from supplier and then store it as required to ensure it is safe and easily retrievable. Have a system in place for efficient inventory storage.

Step 3: Check inventory levels

Check the inventory levels and keep them noted somewhere. Use any inventory management system to reduce errors.

Step 4: Customers place orders

Customers place orders depending on where we are selling and setting up a storefront. These orders are then approved by a system.

Step 5: Send orders to customers

We then find the necessary items the customers ordered and send them to our customers after packaging.

Step 6: Update inventory level

When the item has been sent, we will update inventory levels, so it accurately reflects the inventory we now have at hand.

Step 7: Restock inventory

We are going to restock our inventory as required before the stocks are too low. Restock will depend on demand forecasting and other insights along with past orders.

13.6 Inventory Types:

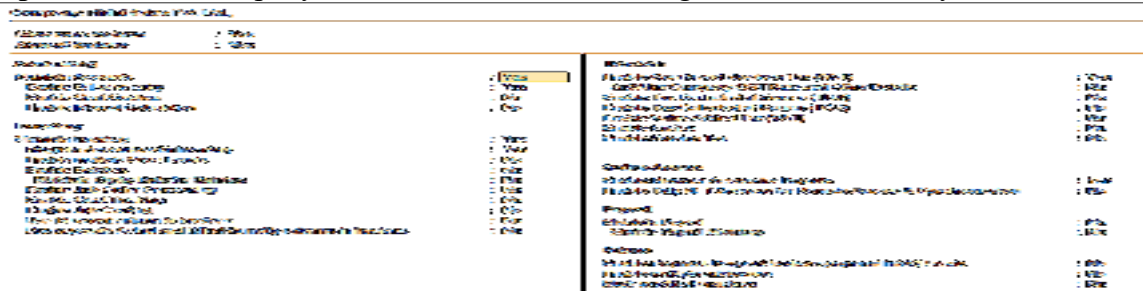
One of crucial for efficient inventory management is to know and understand the different types of inventories we deal with. This because, importance, requirements, inventory level, treatment etc. differs basics the type of inventory. For example, the way we look at raw material differs from the finished product.

Types of Inventory		
INPUT STAGE	PROCESS STAGE	OUTPUT STAGE
Raw Materials	Work-in-progress	Finished Goods
Consumables required for processing & manufacturing 1. Fuel, Stationary 2. Bolts & Nuts etc.	Semi-Finished Production in various stages, lying with various departments like 1. Production 2. WIP Stores 3. QC 4. Final Assembly 5. Paint Shop 6. Packing 7. Outbound Store etc.	Finished Goods at Distribution Centers throughout Supply Chain
Maintenance Items / Consumables Packing Materials Local purchased items required for production	Production Waste and Scrap Rejections and Defectives	Finished Goods in transit Finished Goods with Stockist and Dealers Spare Parts Stocks & Bought Out Items Defectives, Rejects and Sales Returns Repaired Stock and Parts Sales Promotion & Sample Stocks

Steps for Inventory Management in Tally Prime:

Inventory management in Tally Prime refers to a set of features that help businesses track and control the stock of items they buy, sell, or manufacture. It essentially allows us to monitor the flow of goods throughout our business cycle, from purchasing raw materials to selling finished products.

Step 1: Create a Company, ensure that accounts is Integrated with Inventory & Enable GST.



- Enable GST > Yes > Enter Particular details as per Company Requirement.



Classify Stock Groups, Stock Categories and Stocks Items:

Managing stock items in groups help in easily locating them, especially when we need to track different stock items sharing a common feature - say a common brand, product type, material used, and so on. We can get a consolidated view of the total stock items available under that

group. Stock items under a group need to have the same unit of measurement for consolidation and better management. This also helps in reporting of stock items group-wise in the financial statements.

Step 2: Create Stock Group

• Gateway of Tally > Create > type or select Stock Group and press Enter.

Alternatively, press Alt+G (Go To) > Create Master > type or select Stock Group > and press Enter.

• **Name & alias:** As in other masters, we can specify multiple aliases for the stock item.

• **Under:** Select Primary or an existing Stock Group. If we have not created any Stock Group, we can create one in Tallyprime to assign to the stock group.

As always, press Alt+C, to create a master on the fly. Alternatively, press Alt+G (Go To) > Create Master > type or select Stock Group > press Enter.

• **Should quantities of items be added:** It pertains to information on measuring the units of the Stock Items that we would categorise under the Stock Group. The Stock Items categorised under the group should have similar units for them to be added up. We cannot add quantities in Kgs to quantities in Pcs.

• **Set/alter GST Details:** Enable this option to define the GST rate.

Accept the screen. As always, press Ctrl+A to save.

The screenshot shows the 'Stock Group Creation' window. The 'Name' field contains 'Aerated Water'. Below it, '(alias)' is empty. The 'Under' field is set to 'Primary'. There are two checked options: 'Should quantities of items be added' and 'Set/Alter GST Details'. A separate dialog box is open on the right, asking 'Accept ?' with 'Yes or No' buttons.

Step 3: Create Stock Category

Stock category offers a parallel classification of stock items, categorizing items is that we can classify the stock category based on functionality together in a group. We can classify the stock category across different stock groups which enables us to obtain reports on alternatives or substitutes for a stock item.

• Gateway of Tally > Create > type or select Stock Category and press Enter.

Alternatively, press Alt+G (Go To) > Create Master > type or select Stock Category > and press Enter.

• **Name & alias:** As in other masters, we can specify multiple aliases for the stock item.

• **Under:** Select Primary or an existing Stock Group. If we have not created any Stock Group, we can create one in Tally Prime to assign to the stock categories.

As always, press Alt+C, to create a master on the fly. Alternatively, press Alt+G (Go To) > Create Master > type or select Stock Category > press Enter. Accept the screen. As always, press Ctrl+A to save.

The screenshot shows the 'Stock Category Creation' window. The 'Name' field contains 'Aerated Drinks'. Below it, '(alias)' is empty. The 'Under' field is set to 'Primary'. A separate dialog box is open on the right, asking 'Accept ?' with 'Yes or No' buttons.

We should use Stock Groups and Stock Categories in Tally Prime depending on how we want to organize and analyze your inventory

- **Stock Groups:** Ideal for reports on groups with similar properties (e.g., total clothing vs. electronics). Use them when inherent item properties are the focus (brand, type, size).

- **Stock Categories:** Useful for analyzing usage of interchangeable items across Stock Groups (e.g., formal shirts and pants). Use them when functionality across groups is important.

Imagine a clothing store. Stock Groups are like departments (Shirts, Pants) while Stock Categories are styles (Formal Wear, Casual Wear) that can cut across departments.

Step 4: Create Units of Measurement:

Depending on our business, we may be selling or buying stock items in different units. For example, we can use simple units like Meters, Centimeters, or Nos. If we sell items in bags and boxes of standard sizes - say 100 kg for a box, using TallyPrime, we can create all different units as per our needs.

4A. Simple Unit

- While creating a stock item, press Alt+C, to create a unit master on the fly.

The Unit Creation (Secondary) screen opens.

Enter the details in the Unit Creation screen.

- Enter the **Symbol**. By default, the Type field will be selected as Simple.

- Enter the **Formal name** for the simple unit.

- Select the **Unit Quantity Code (UQC)** relevant to the stock item from the list provided.

The list consists of the **number of Unit Quantity Codes (UQC)** available for our product or commodity as declared by the Government or GSTN.

- Specify the **Number of decimal** places required based on our business needs.

Unit Creation	
Type	: Simple
Symbol	: Gm
Formal name	: Gram
Unit Quantity Code (UQC)	: GMS-GRAM
Number of decimal places	: 2

Accept ?

 Yes or No

Press Y to accept the screen. As always, we can press Ctrl+A to create a Simple unit.

4B. Compound Unit:

While creating a stock item, press Alt+C to create a unit master on the fly.

The Unit Creation (Secondary) screen opens.

Enter the details in the Unit Creation screen:

- Press Backspace and select Compound if the Type is selected as Simple.

- Enter the Compound unit as the First unit. For example, Kg.

- Enter the Conversion For example, 1000.

Note: Compound units can be created up to any level. For example, milligram < gram < kilogram < quintal < tonne. However, the relationship between the units should be convertible.

d Enter the Second unit. For Example Gm

Unit Creation			
Type		: Compound	
Units with Multiplier Factors			
<i>(example: Kgs of 1000 gms)</i>			
<i>First unit</i>	<i>Conversion</i>	<i>Second unit</i>	Accept ? Yes or No
Kg	of 1,000	Gm	

Step 5: Stock Items:

A stock item in Tally Prime is required to fill in information about the stock or inventory that our business deals with. Once we have created stock item, we can record our business transactions and keep track of the stock item details. Simply enter the name of the stock item we want to create and save it. Also, provide the opening balance details such as quantity, rate, value applicable tax rates so that we can record transactions in less time, without the need to enter all of these details each time in the transactions.

A. Create Stock Items

- Gateway of Tally > Create > type or select Stock Item > and press Enter.

Alternatively, press Alt+G (Go To) > Create Master > type or select Stock Item > and press Enter.

- Name & alias: As in other masters, we can specify multiple aliases for the stock item.

- Under: Select Primary or an existing Stock Group. If we have not created any Stock Group, we can create one in Tally Prime to assign to the stock item.

As always, press Alt+C, to create a master on the fly. Alternatively, press Alt+G (Go To) > Create Master > type or select Stock Items > press Enter.

- Units: Select the unit of measurement applicable for the stock item. If the unit is not listed, we can create the unit of measurement in Tally Prime to assign to the stock item.

.

As always, press Alt+C, to create a master on the fly. Alternatively, press Alt+G (Go To) > Create Master > type or select Units > press Enter.

Statutory Details: Set the applicable Taxability option for the stock item under Statutory details.

The option will depend on the option enabled in the F11 (Features) screen. Opening Balance:

Specify the opening balance for the Stock Item as on the date of Beginning of Books.

a. Quantity: Specify the stock item Quantity.

b. Rate: Specify the stock item Rate.

c. Value: Tally Prime automatically calculates the value by multiplying the Quantity and Rate.

We can also edit the value, Tally Prime automatically refreshes the Rate field accordingly. Accept the screen. As always, press Ctrl+A to save.

Stock Item Creation		Nidhi Sales Pvt Ltd.,	
Name:	Coca Cola 750ml		
(alias)	:		
Under	: Aerated Water	Statutory Details	
Units:	pcs	GST applicability	: * Applicable
		HSN/SAC & Related Details	
		HSN/SAC Details:	Specify Details Here
		HSN/SAC	998877
		Description	
		GST Rate & Related Details	
		GST Rate Details	: Specify Details Here
		Taxability Type	: Taxable
		GST Rate	: 18 %
		Type of Supply	: Goods
		Rate of Duty (eg 5)	: 0
Accept ?			
		Quantity	Rate per
Opening Balance	:	320 pcs	28.00 pcs
		Value	8,960.00
Yes or No			

13.7 Alteration of Stock Groups, Stock Category, Stock Items, Units of Measures:

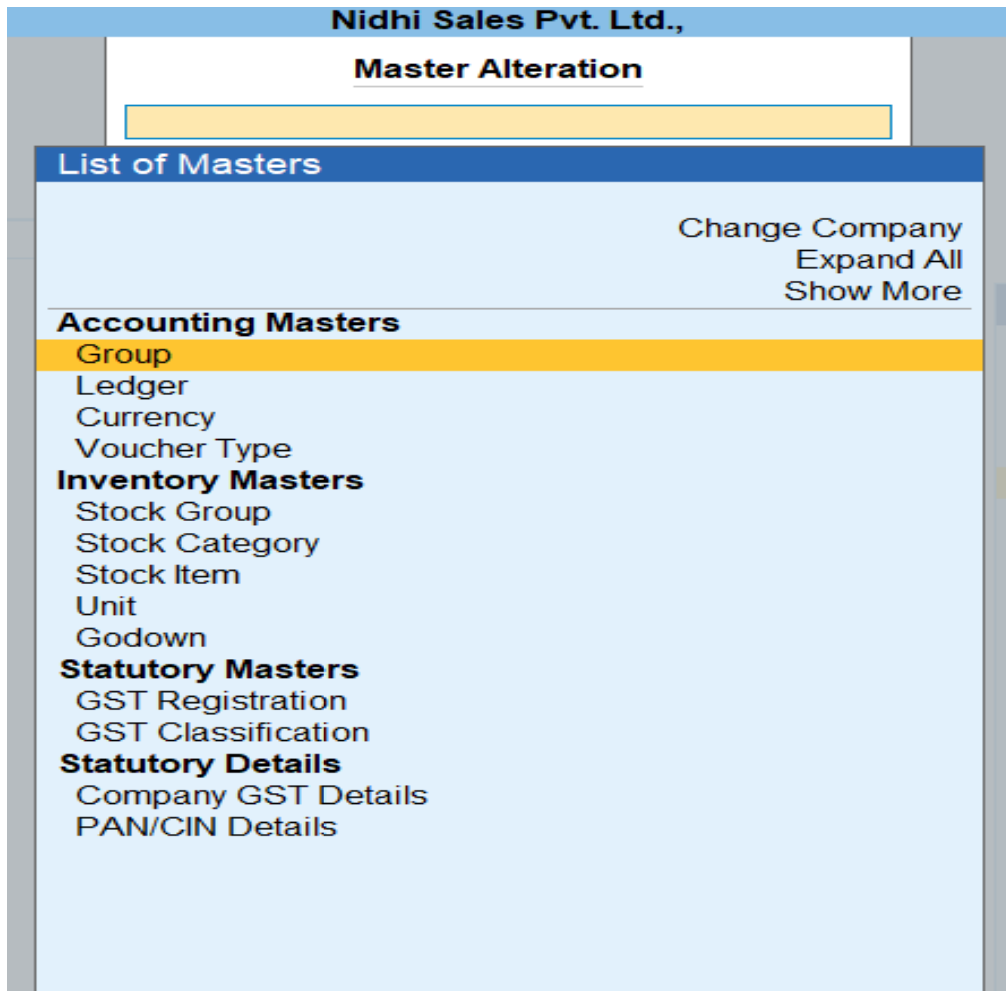
We have learnt how to create Stock Groups, Stock Categories, Stock Items, Units of Measure and Godowns in Tally Prime.

Navigation Path:

From **Gateway of Tally>Alter>** under **Inventory Masters> Stock Groups/Stock Category/Stock Items/ Units of Measures.**

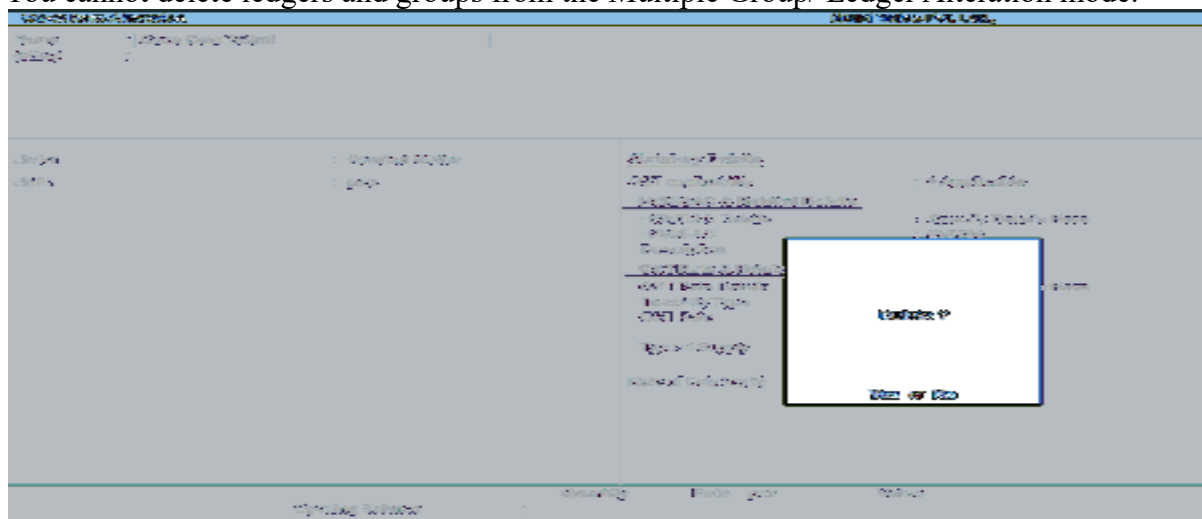
Open the Required option to Alter the respective information and then Modification or Update Information want to be saved with Ctrl+A.

Then Automatically the modified information might be updated in fraction of seconds.



13.8 Deletion of Master:

Any masters created by the user such as Ledgers, Groups, Stock Groups, Stock Category, Stock Item, Unit and Godowns can be deleted from the alteration screen by using ALT+D option. You cannot delete ledgers and groups from the Multiple Group/ Ledger Alteration mode.



13.9 Problems on Inventory Master

Problem No:01

Creation of Stock Group.

Stock Group Level Products Main Stock Group	Stock Group Level Products Under
Mobile Phone	Primary
Computer	Primary
Computer Accessories	Primary
Sub Stock Group	
Samsung Mobile Phone	Mobile Phone

Problem No:02

Creation of Stock Category

Stock Category	Sub-Stock Group	Stock Group
64 GB Storage 32 GB Storage	Samsung Mobile Phone	Mobile Phone
64 GB Storage 32 GB Storage	Sony Mobile Phone	Mobile Phone
64 GB Storage 32 GB Storage 16 GB Storage	Nokia Mobile Phone	Mobile Phone
128 GB Storage	OnePlus Mobile Phone	Mobile Phone
64 GB Storage	Oppo Mobile Phone	Mobile Phone

Problem No:03

Creation of Stock Items.

			Measure	
Oppo A31 Mobile	Oppo Mobile Phone	64 GB Storage	Nos	sity
OnePlus Nord Mobile	OnePlus Mobile Phone	128 GB Storage	Nos	
Nokia C3 Mobile	Nokia Mobile Phone	32 GB Storage	Nos	
Nokia 2.3 Mobile	Nokia Mobile Phone	32 GB Storage	Nos	
ASUS 14 Ultra Laptop	Computer	Not Applicable	Nos	
DELL i3 Inspiron Laptop	Computer	Not Applicable	Nos	
HP 15 3rd Gen Laptop	Computer	Not Applicable	Nos	
Logitech M221 Mouse	Wireless Mouse	Not Applicable	Box of 10 Nos	
Logitech K230 Keyboard	Wireless Keyboard	Not Applicable	Box of 10 Nos	
SanDisk USB Pendrive	Computer Accessories	Not Applicable	Box of 10 Nos	

13.10 Keywords:

1. Inventory Management, Stock Control, Product Catalog, Warehouse Tracking
2. Supply Chain, Item Classification, Inventory Accuracy, Reorder Levels
3. Barcode System, Inventory Audits, Stock Valuation, Item Ledger
4. Inventory Optimization, Demand Forecasting, Inventory Turnover, Safety Stock

13.11 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

M.P. Eshwera Rao

Lesson - 14

VOUCHER TYPES

Objective:

1. Definition of Voucher Types: Define what voucher types are and their role in accounting.
2. Common Voucher Types: Identify and describe common voucher types such as sales, purchases, receipts, and payments.
3. Creation and Customization: Explain how to create and customize voucher types in Tally Prime.
4. Automation and Efficiency: Discuss how using appropriate voucher types can automate and improve accounting efficiency.
5. Voucher Management: Provide best practices for managing and maintaining vouchers in an organized manner.

Structure:

- 14.1 Introduction
- 14.2 Process of Voucher Entry
- 14.3 Voucher Entry
- 14.4 Alter Voucher types & Details (Master Alteration)
- 14.5 Alter a Pre-defined Voucher Type
- 14.6 Delete Voucher Types in Tally Prime
- 14.7 Keywords
- 14.8 Reference

14.1 Introduction:

A voucher entry in accounting refers to the process of recording a financial transaction in an accounting system. In Tally Prime and other accounting software, a voucher is essentially a document that supports and records a transaction. Here's a detailed explanation of what voucher entry means:

Definition

Voucher Entry: The process of inputting financial transaction details into the accounting system, categorized by the type of transaction, to maintain accurate financial records.

Key Points

1.Documentation of Transactions:

- Vouchers serve as evidence of transactions, ensuring that each transaction is properly documented and traceable.

2. Types of Vouchers:

- Vouchers are classified based on the nature of transactions. Common types include payment vouchers, receipt vouchers, sales vouchers, purchase vouchers, contra vouchers, journal vouchers, credit notes, and debit notes.

3. Components of a Voucher Entry:

- Date: The date when the transaction occurred.

- Ledger Accounts: The accounts involved in the transaction, such as cash, bank, sales, purchases, expenses, etc.
- Amount: The monetary value of the transaction.
- Narration: A brief description of the transaction.
- Supporting Documents: Attachments like invoices, receipts, bills, etc., to substantiate the transaction.

4. Purpose of Voucher Entry:

- To maintain systematic and accurate financial records.
- To ensure compliance with accounting standards and legal requirements.
- To facilitate financial reporting and analysis.
- To provide an audit trail for verification and reconciliation purposes.

14.2 Process of Voucher Entry

1. Identify the Transaction:

- Determine the type and nature of the transaction.

2. Select the Appropriate Voucher Type:

- Choose the correct voucher type in the accounting system to record the transaction (e.g., payment voucher for payments, sales voucher for sales transactions).

3. Enter Transaction Details:

- Input all relevant details such as date, ledger accounts, amounts, and narration.

4. Verify and Save:

- Review the entered details for accuracy and save the voucher entry.

Benefits

- **Accuracy:** Ensures precise recording of financial transactions.
- **Compliance:** Helps in adhering to regulatory and statutory requirements.
- **Transparency:** Provides a clear and traceable record of all financial activities.
- **Efficiency:** Streamlines the accounting process, making it easier to manage and report financial data.

Voucher entries are fundamental to maintaining an organized and reliable accounting system, playing a crucial role in the financial management and auditing processes of a business.

Accounting is the practice of maintaining a record of the financial dealings of a business. It involves **Identifying** business transactions, **Recording** them, and **Summarising** the same in such a way that, important financial information can be communicated to stakeholders of the business.

Recording of a financial transaction is the first step in an accounting cycle. Every day, business concerns are involved in business activities like making **purchases, sales, making payments to vendors, receiving payments from customers and so on**. If any one of the transactions is not recorded properly or is missed out, the financial reports will not reflect the correct financial performance or financial position of the company.

14.3 Voucher Entry:

In Tally Prime, a voucher entry refers to the process of recording a financial transaction using a specific voucher type. These vouchers act as the building blocks for accounting records, providing a detailed and organized way to track business's financial activity.

Breakdown of the key points:

Vouchers: They are digital documents in Tally Prime that represent various financial transactions, such as purchases, sales, payments, receipts, and adjustments.

Voucher types: These act as pre-defined templates that categorize and format the voucher entries.

Essentially, creating a voucher entry involves selecting the appropriate voucher type, entering the relevant details such as accounts involved, amount, and narration (optional), and saving the transaction. This process helps to maintain a clear and auditable record of all business's financial activities.

Voucher:

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, we can use the appropriate Tally voucher to enter the details into the ledgers and update the financial position of the company. This process is called Voucher Entry in Tally.
- In simple terms passing journal entries in Tally is called as Voucher Entry.
- In fact, the user will not use the word "Journal Entry" while working in Tally. However, "Journal Voucher" is a type of voucher entry.
- Voucher type includes Purchase, Sales, Receipt, Payment, Contra, Journal, etc.

Voucher Types in Tally Prime:

There are 24 pre-defined voucher types in Tally Prime for accounting, inventory, payroll and orders. We can create more voucher types under these pre-defined voucher types as per the business needs.

Example:

- for cash payments and bank payments, the predefined voucher type is Payment Voucher.
- we can also have two or more sales voucher types in Tally Prime for different kinds of sales transactions like credit sales, cash sales, and so on.

Accounting Vouchers	Inventory Vouchers	Order Vouchers	Payroll Vouchers
<ul style="list-style-type: none"> • Opening • Payments • Receipt • Journal • Sales • Purchase • Credit Note • Debit Note • Reversing Journal 	<ul style="list-style-type: none"> • Rejections In • Rejections Out • Stock Journal • Delivery Note • Receipt Note • Physical Stock • Material In • Material Out 	<ul style="list-style-type: none"> • Sales Order • Purchase Order • Job Work Out Order • Job Work In Order • Inter-branch 	<ul style="list-style-type: none"> • Payroll • Attendance

Navigation Path for list of Voucher Types in Tally Prime:

Gateway of Tally > Chart of Accounts > type or select Voucher Type.

Alternatively, press Alt + G (Go To) > type or select Chart of Accounts > Voucher Type. The screen appears as shown below:

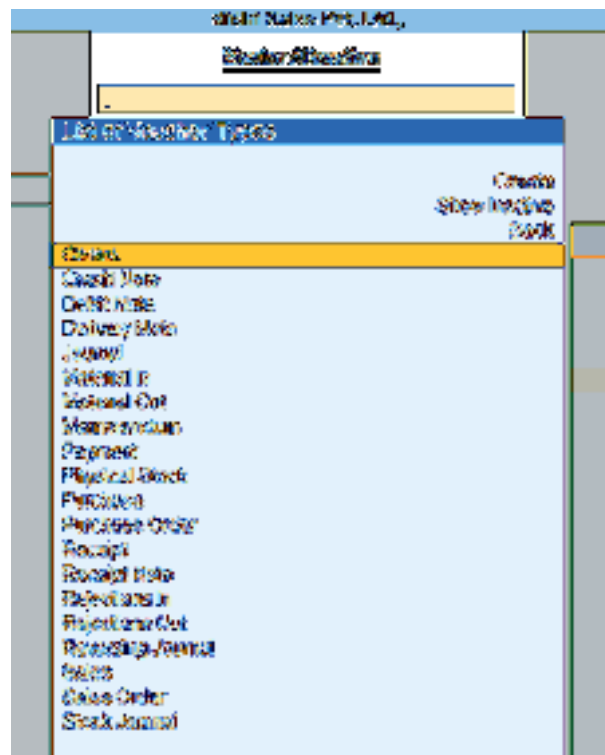


14.4 Alter Voucher types & Details (Master Alteration):

Go to Gateway of Tally > Alter > Voucher Type.

Alternatively, press Alt + G (Go To) > type or select Alter Master > Voucher Type.

The List of Voucher Types appears as shown below:



We can do the

- Activate / as per your business
- Use different methods.
- Specify the prefix numbering the
- Use the effective
- Mark some optional vouchers by
- Use common

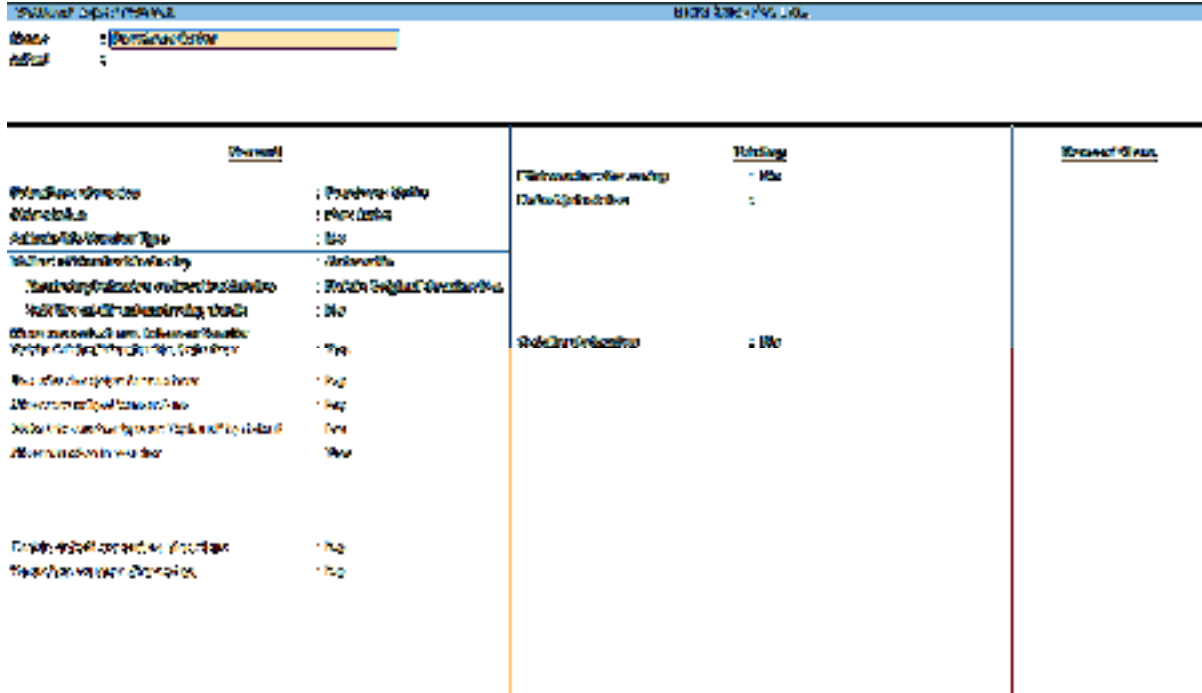
for each ledger selected in the voucher. Enable the option to print immediately after saving the vouchers.

following alteration:

Deactivate voucher type
need.
voucher numbering

and suffix details for
vouchers.
dates for the vouchers.
vouchers to open as
default.

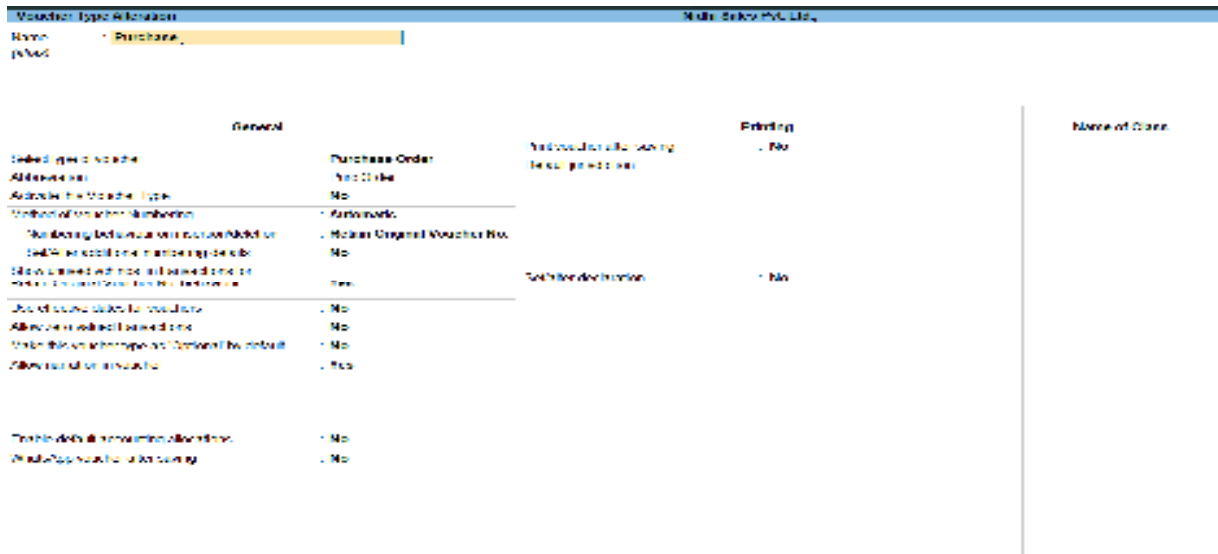
narration or narration



14.5 Alter a Pre-defined Voucher Type:

Pre-defined voucher types in Tally Prime can be altered to suit invoicing requirements.

- Gateway of Tally > Alter > type or select Voucher Type > Sales.
- Alternatively, Alt + G (Go To) > type or select Alter Master > Voucher Type > Sales.
- The Voucher Type Alteration screen appears as shown below:



14.6 Delete Voucher Types in Tally Prime:

You may want to delete Voucher Types in Tally Prime.

Such a need occurs in the following scenarios:

- Created a Voucher Type long ago, and you haven't used it.
- Created a Voucher Type, which is similar to an already existing Voucher type.
- The Voucher Type was created by mistake.

- Created a new Company, which is a copy of an existing Company. However, some of the Voucher Types are not required in the new Company

Although deleting a Voucher Type is very simple in Tally Prime, we can only delete it if the following pre-requisites are met.

- The Voucher Type is not a default one such as Sales, Purchase, and others provided in Tally Prime.
- In the Company data, there is no voucher recorded using the Voucher Type.
- We may want to delete a Voucher Type, even if we have recorded transactions using it. In such a case, we will need to delete all the transactions recorded using that specific Voucher Type.
- Before deleting transactions, take a Company data backup so that we can restore those transactions by restoring the Company data in the future if needed

We can delete the transactions by drilling down on the Statistics report in Tally Prime.

Follow the path given below:

1. Press Alt + G (Go To) > type or select Statistics and press Enter. Alternatively, Gateway of Tally > Display More Reports > Statements of Accounts > Statistics and press Enter.

2. Drilldown to the transactions.

- Drilldown on the required Voucher Type.
- The Voucher Monthly Register screen appears.
- Drilldown on the months in which the transactions were recorded.
- The Voucher Register screen appears where all the transactions for the month are listed.

Select all the transactions using Spacebar and press Alt + D.

Now that we have ensured that there are no transactions recorded using the Voucher Type, we can go ahead and delete the Voucher Type.

To delete a Voucher Type in Tally Prime, follow the procedure given below

1. Press Alt + G (Go To) > Voucher Type > type or select the Voucher Type and press Enter. Alternatively, Gateway of Tally > Alter > Voucher Type > type or select the Voucher Type and press Enter.

2. Press Alt + D and then press Y to accept.

14.7 Keywords:

1. Sales Vouchers: Used for recording sales transactions and sales returns.
2. Purchase Vouchers: Used for recording purchase transactions and purchase returns.

14.8 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

M.P. Eshwera Rao

Lesson - 15

VOUCHERS WITHOUT TAX

Objective:

1. Understanding Non-Tax Vouchers: Explain the concept and use of non-tax vouchers in accounting.
2. Types of Non-Tax Vouchers: Identify different types of non-tax vouchers and their purposes.
3. Creation Process: Detail the process of creating non-tax vouchers in Tally Prime.
4. Record Keeping: Discuss the importance of maintaining accurate records of non-tax vouchers.
5. Impact on Financial Statements: Explain how non-tax vouchers affect financial statements and reporting.

Structure:

- 15.1 Introduction to Purchase bill without GST
- 15.2 Introduction to Sale bill without GST
- 15.3 Keywords
- 15.4 Reference

15.1 Introduction to Purchase bill without GST:

Purchase is the cost incurred by the business concern during a period, for further sale of inventory. Purchase is an expense to the company. It is included in the income statement and is also considered under the cost of goods sold.

In Accounting, the purpose and type of purchases is important. Purchase of fixed assets for own consumption will be accounted as fixed assets and shown in balance sheet, while purchases made for further sale will be accounted as expenses.

In Tally Prime, A Purchase voucher is used to record transactions, when a company purchases some goods on cash, cheque or on credit basis. A purchases voucher can be recorded in following three modes:

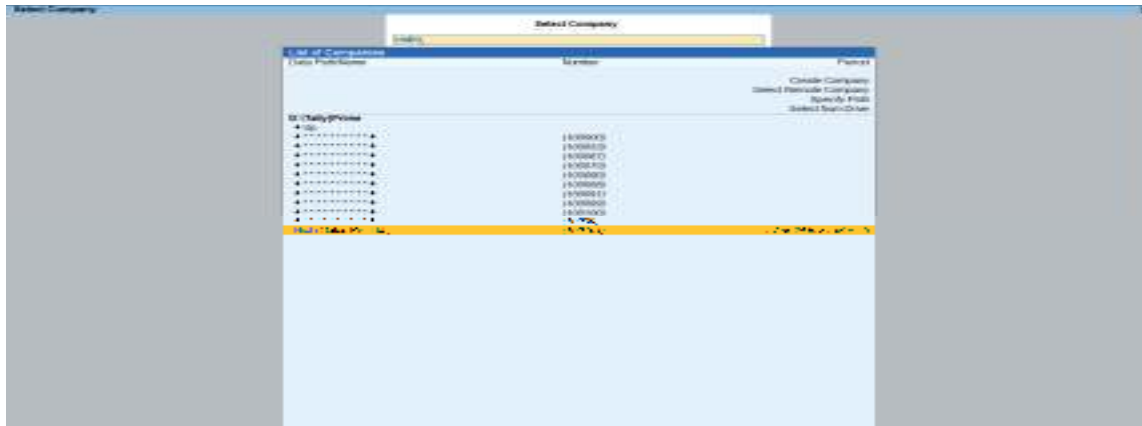
1. Voucher Mode
2. Item Invoice Mode
3. Account Invoice Mode

Recording a Purchase Bill in Tally Prime (Without GST)

Here's a step-by-step guide on how to record a purchase bill in Tally Prime without GST:

Step 1: Open Tally Prime and Select the Company

1. Open Tally Prime.
2. **Select the company** for which you want to record the purchase bill.



Step 2: Configure Purchase Voucher

1. Go to Gateway of Tally.
2. Navigate to F11: Features
3. Select Accounting Features
4. Ensure that the options Use Purchase Order Processing and Use Tracking Numbers (Delivery/Receipt Notes) are set to No unless required for your specific needs.

Step 3: Record the Purchase Voucher

1. Go to Gateway of Tally.
2. Navigate to Vouchers.
3. Select **F9: Purchase** This opens the Purchase Voucher screen.



Step 4: Enter Purchase Details

1. **Date:** Enter the date of the purchase transaction.
2. **Party A/c Name:** Select the supplier's account from the list of ledger accounts. If the supplier is not already in the system, create a new ledger under the group 'Sundry Creditors'.

3. **Purchase Ledger:** Select the purchase ledger. If there is no specific ledger, you can use a general 'Purchases' ledger under the group 'Purchase Accounts'.

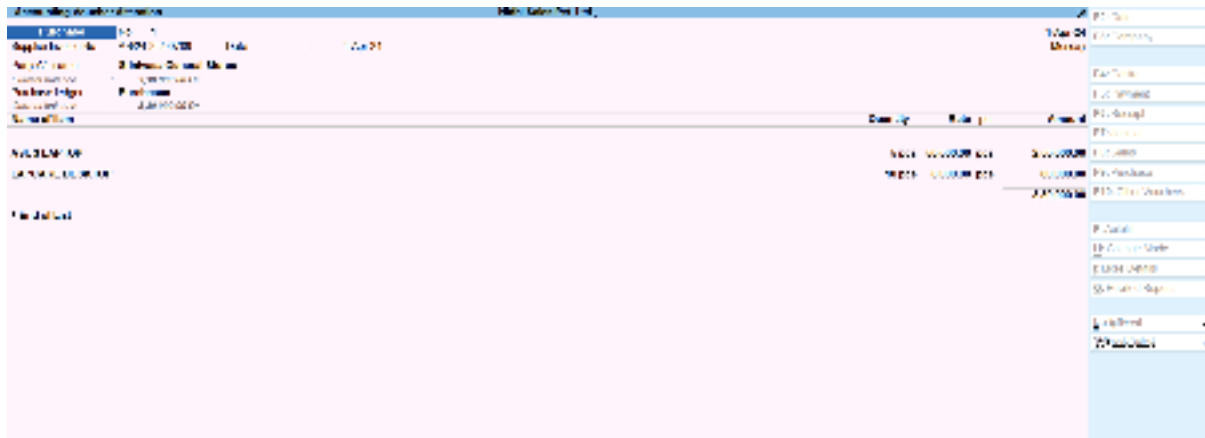
4. **Invoice Details:** Fill in the invoice number and other details as needed.

Step 5: Enter Item Details

1. **Name of Item:** Select the item being purchased. If the item is not already in the system, create a new stock item.
2. **Quantity:** Enter the quantity of the item.
3. **Rate:** Enter the rate per unit of the item.
4. **Amount:** Tally Prime will automatically calculate the total amount (Quantity x Rate).

Step 6: Complete and Save the Voucher

1. Narration: Enter any additional details or notes about the transaction.
2. Save the Voucher: After entering all the details, press `Ctrl+A` to save the voucher.



Date	Particular				
17 th April 2021	Suhant Software Pvt. Ltd. purchased the following stock items from RY Info Systems on credit vide supplier invoice number RY/101.				
Samsung S7 Edge	Bengaluru	5 Nos	32,000	1,60,000	
	Location				
	from Vardhaman Enterprises on credit vide supplier invoice number VE/23.				

Nokia 2.3 Mobile	Mumbai Location	3 Nos	7,000	21,000
Nokia C3 Mobile	Mumbai Location	2 Nos	7,500	15,000
OnePlus Nord Mobile	Mumbai Location	3 Nos	27,000	81,000
Oppo A31 Mobile	Mumbai Location	5 Nos	13,700	68,500

In the screenshot:

1. Header Section: Shows the type of voucher (Purchase), date, and voucher number.
2. Party Details: Where you select the supplier.
3. Item Details Section: Where you enter the stock item, quantity, rate, and amount.
4. Bottom Section: Where you can add narration and save the voucher.

Note: Screenshots and actual screens may vary slightly based on your Tally Prime version and configurations.

This process helps ensure that all purchase transactions are accurately recorded, keeping your financial data organized and up-to-date.

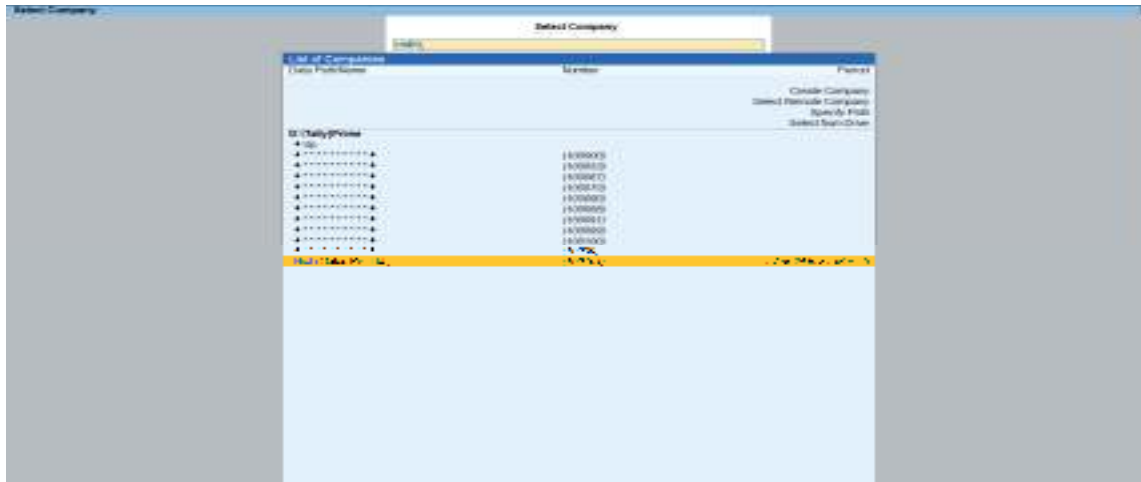
15.2 Introduction to Sale bill without GST:

A Sales voucher is used when a company sells goods to customers on cash, cheque or credit basis. Sales entries lead to an increase in sales revenue.

Here's a step-by-step guide on how to record a sales bill in Tally Prime without GST:

Step 1: Open Tally Prime and Select the Company

1. Open Tally Prime.
2. **Select the company** for which you want to record the sales bill.

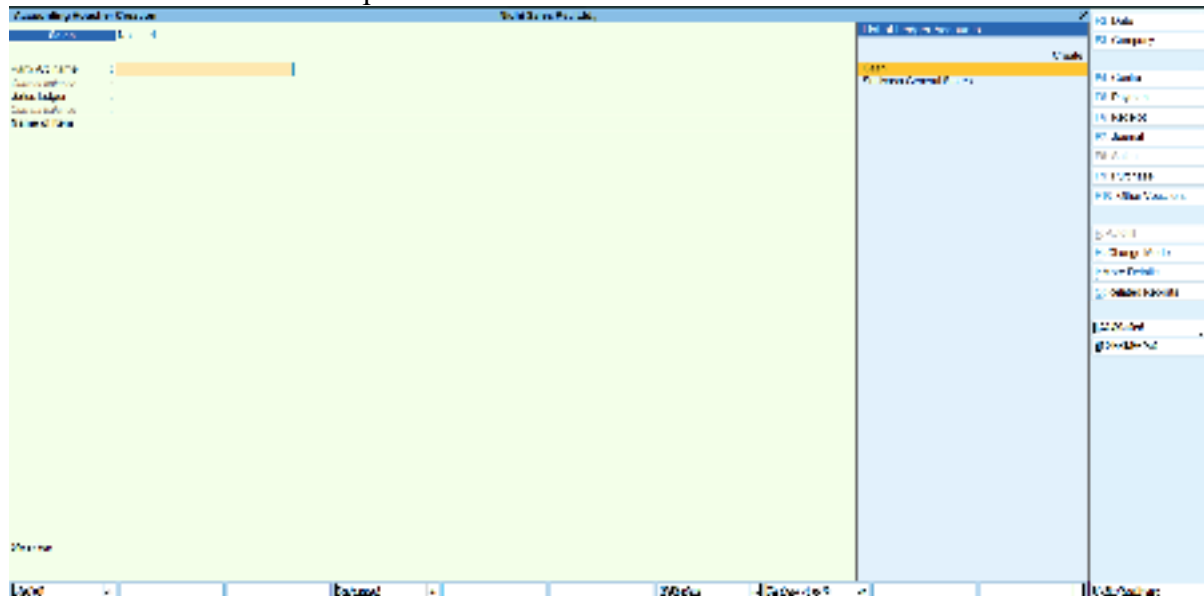


Step 2: Configure Sales Voucher

1. Go to Gateway of Tally.
2. Navigate to `F11: Features`.
3. Select `Accounting Features`.
4. Ensure that the options Use Invoice Mode and Integrate Accounts and Inventory` are set to `Yes`. This will allow you to enter sales details in an itemized format and link inventory with accounting.

Step 3: Record the Sales Voucher

1. Go to Gateway of Tally.
2. Navigate to `Vouchers`.
3. Select `F8: Sales`. This opens the Sales Voucher screen.



Step 4: Enter Sales Details

1. **Date:** Enter the date of the sales transaction.

2. **Party A/c Name:** Select the customer's account from the list of ledger accounts. If the customer is not already in the system, create a new ledger under the group 'Sundry Debtors'.
3. **Sales Ledger:** Select the sales ledger. If there is no specific ledger, you can use a general 'Sales' ledger under the group 'Sales Accounts'.
4. **Invoice Details:** Fill in the invoice number and other details as needed.

The screenshot shows the 'Party A/c Name' selection screen in Tally Prime. The interface includes a top menu bar, a left sidebar with navigation options, and a main area with a list of ledger accounts on the right. The 'Party A/c Name' field is empty, and the 'Sales Ledger' is selected. The bottom status bar shows the current date and time.

Step 5: Enter Item Details

1. **Name of Item:** Select the item being sold. If the item is not already in the system, create a new stock item.
2. **Quantity:** Enter the quantity of the item.
3. **Rate:** Enter the rate per unit of the item.
4. **Amount:** Tally Prime will automatically calculate the total amount (Quantity x Rate).

The screenshot shows the 'Enter Item Details' screen in Tally Prime. The interface includes a top menu bar, a left sidebar with navigation options, and a main area with a list of stock items on the right. The 'Name of Item' field is filled with 'SUNDARY DEBTORS', and the 'Quantity' and 'Rate' fields are also filled. The bottom status bar shows the current date and time.

Step 6: Complete and Save the Voucher

1. Narration: Enter any additional details or notes about the transaction.
2. Save the Voucher: After entering all the details, press `Ctrl+A` to save the voucher.

Name of the item	Godown	Quantity	Rate Per(₹)	Amount (₹)
ASUS 14 Ultra Laptop	Delhi Location	2 Nos	39,500	79,000
HP 15 3rd Gen Laptop	Delhi Location	3 Nos	31,000	93,000
Date	Particular			
24 th April 2021	Suhant Software Pvt. Ltd. sold the following stock items to Sky			
	Solutions on credit, with Sale Bill No. 1			
		(Type as 2-		
		5)		
ASUS 14 Ultra Laptop	Delhi Location	2 Nos	39,500	79,000

Example 02:

Date	Particular			
26 th April 2021	Suhant Software Pvt. Ltd. sold the following stock items to			
	Keshav Mobile Zone on credit, with Sale Bill No. 2			
Item				
Nokia 2.3 Mobile	Mumbai Location	1 Nos	7,200	7,200

Sample Screenshot Explanation:

Since I can't provide an actual screenshot, you can visualize the following setup in Tally Prime's Sales Voucher screen:

- Sales Voucher Screen:
 - Date: 02-06-2024
 - Party A/c Name: XYZ Enterprises
 - Sales Ledger: Sales
 - Item Details:
 - Name of Item: Stationery
 - Quantity: 5
 - Rate: 10/-
 - Amount: 50/-
 - Narration: "Sold 5 units of stationery."

This process helps ensure that all sales transactions are accurately recorded, keeping your financial data organized and up-to-date.

Steps in Detail with Visual Aid

1. Open Tally Prime

- Launch Tally Prime from your desktop or application list.
- Select your company from the list of companies available.

2. Configure Sales Voucher

- Go to Gateway of Tally
- Navigate to `F11: Features`.
- Select `Accounting Features`.
- Ensure the following options are set correctly:
 - `Use Invoice Mode`: Yes
 - `Integrate Accounts and Inventory`: Yes

3. Record the Sales Voucher

- Go to Gateway of Tally.
- Navigate to `Vouchers`.
- Select `F8: Sales` to open the Sales Voucher screen.

4. Enter Sales Details

- Date: Enter the transaction date.
- Party A/c Name: Select or create the customer's account (e.g., XYZ Enterprises).
- Sales Ledger: Select or create the sales ledger (e.g., Sales).

5. Enter Item Details

- Name of Item: Select or create the item (e.g., Stationery).
- Quantity: Enter the quantity sold (e.g., 5).
- Rate: Enter the rate per unit (e.g., 10/-).
- Amount: Tally Prime calculates the total automatically (e.g., 50/-).

6. Complete and Save the Voucher

- Narration: Add a brief description of the transaction (e.g., "Sold 5 units of stationery").
- Save the Voucher: Press `Ctrl+A` to save.

15.3 Keywords:

In Tally Prime, voucher types are essential for recording various financial transactions. Here are four lines of keywords related to voucher types:

1. Sales Vouchers: Used for recording sales transactions and sales returns.
2. Purchase Vouchers: Used for recording purchase transactions and purchase returns.
3. How to record the transaction of purchase and sale invoice without gst.
4. how to create a party ledger in tally prime.

15.4 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

M.P. Eshwera Rao

Lesson - 16

INTRODUCTION TO GST

Objective:

1. Basics of Taxation: Provide an overview of the basic concepts of taxation.
2. Types of Taxes: Identify and describe different types of taxes such as direct and indirect taxes.
3. Tax Compliance: Discuss the importance of tax compliance for businesses and individuals.
4. Tax Filing Process: Explain the process of filing tax returns and the necessary documentation.
5. Impact on Accounting: Describe how taxes impact accounting practices and financial reporting.

Structure:

- 16.1 Introduction
- 16.2 FEATURES OF INDIRECT TAXES
- 16.3 Types of Transactions in GST
- 16.4 GST Registration
- 16.5 Mandatory Registration
- 16.6 Types of Registration under GST
- 16.7 Classification of goods and services (HSN & SAC)
- 16.8 Keywords
- 16.9 Reference

16.1 Introduction:

- India is a federal country where both the Central and the State Government have the powers to levy and collect taxes through appropriate legislation.
 - GST was introduced in India on 1st July 2017.
 - GST is a business reform, and beyond just modification of the rate of tax GST is changing the process of compliance, thereby resulting in a shift in the way businesses operate.
 - With the concept of invoice matching, instead of filing summarized returns, you will need to submit the details of all your sales invoices periodically, based on their criteria of filing returns/annexures, either monthly or quarterly. This urges every business to digitize its bookkeeping.
1. A tax may be defined as a "pecuniary burden laid upon individuals or property owners to support the Government; a payment exacted by legislative authority.
 2. A tax "is not a voluntary payment or donation, but an enforced contribution, exacted pursuant to legislative authority".
 3. In simple words, tax is nothing but money that people have to pay to the Government, which is used to provide public services.

TYPES OF TAXES: Taxes are broadly classified into direct and indirect taxes.

1. Direct Taxes:

- a. A direct tax is a kind of charge, which is imposed directly on the taxpayer and paid directly to the Government by the persons (juristic or natural) on whom it is imposed.
- b. A direct tax is one that cannot be shifted by the taxpayer to someone else.

c. A significant direct tax imposed in India is income tax.

2. Indirect Taxes:

- a. If the taxpayer is just a conduit(channel) and at every stage the tax incidence is passed on till it finally reaches the consumer, who really bears the brunt of it, such tax is indirect tax.
- b. An indirect tax is one that can be shifted by the taxpayer to someone else.
- c. Its incidence is borne by the consumers who ultimately consume the product or the service, while the immediate liability to pay the tax may fall upon another person such as a manufacturer or provider of service or seller of goods.
- d. Also called consumption taxes, they are regressive in nature because they are not based on the principle of ability to pay.
- e. All the consumers, including the economically challenged bear the brunt of the indirect taxes equally.
- f. Indirect taxes are levied on consumption, expenditure, privilege, or right but not on income or property.

GOODS AND SERVICES TAX: Goods and services tax means

- a. any tax on supply of goods, or services or both
- b. except taxes on the supply of the alcoholic liquor for human consumption.

16.2 FEATURES OF INDIRECT TAXES:

- a. An important source of revenue:** Indirect taxes are a major source of tax revenues for Governments worldwide and continue to grow as more countries move to consumption-oriented tax regimes. In India, indirect taxes contribute more than 50% of the total tax revenues of Central and State Governments.
- b. Tax on commodities and services:** It is levied on commodities at the time of supply or manufacture or purchase or sale or import/export thereof. Hence, it is also known as commodity taxation. It is also levied on supply of services.
- c. Shifting of burden:** There is a clear shifting of tax burden in respect of indirect taxes. For example, GST paid by the supplier of the goods is recovered from the buyer by including the tax in the cost of the commodity.
- d. No perception of direct pinch:** Since value of indirect taxes is generally inbuilt in the price of the commodity, most of the time the tax payer/consumer pays the same without actually knowing that he is paying tax to the Government. Thus, tax payer does not perceive a direct pinch while paying indirect taxes.
- e. Inflationary:** Tax imposed on commodities and services causes an all-round price spiral. In other words, indirect taxation directly affects the prices of commodities and services and leads to inflationary trend.
- f. Wider tax base:** Unlike direct taxes, the indirect taxes have a wide tax base. Majority of the products or services are subject to indirect taxes with low thresholds.
- g. Promotes social welfare:** Higher taxes are imposed on the consumption of harmful products (also known as 'sin goods') such as alcoholic products, tobacco products etc. This not only checks their consumption but also enables the State to collect substantial revenue.
- h. Regressive in nature:** Generally, the indirect taxes are regressive in nature. The rich and the poor have to pay the same rate of indirect taxes on certain commodities of mass consumption. This may further increase the income disparities between the rich and the poor.

16.3 Types of Transactions in GST:

In the context of goods and services taxation in India, intra-state and inter-state transactions are defined based on the geographical location of the seller and buyer within the country.

Understanding these transactions is essential for compliance with GST (Goods and Services Tax) regulations.

Intra-State Transactions

Intra-state transactions refer to transactions where the location of the supplier and the place of supply are in the same state or union territory.

Characteristics:

1. **Same State:** Both the seller and buyer are located within the same state.
2. **Tax Applicability:** Intra-state transactions are subject to two types of GST:
 - **CGST (Central Goods and Services Tax):** Collected by the central government.
 - **SGST (State Goods and Services Tax):** Collected by the state government.

Example:

- **Seller:** Located in Maharashtra.
- **Buyer:** Also located in Maharashtra.

Taxes Levied: If the transaction amount is ₹10,000 and the applicable GST rate is 18%, then:

- CGST: ₹900 (9% of ₹10,000)
- SGST: ₹900 (9% of ₹10,000)

Inter-State Transactions

Inter-state transactions refer to transactions where the location of the supplier and the place of supply are in different states or union territories.

Characteristics:

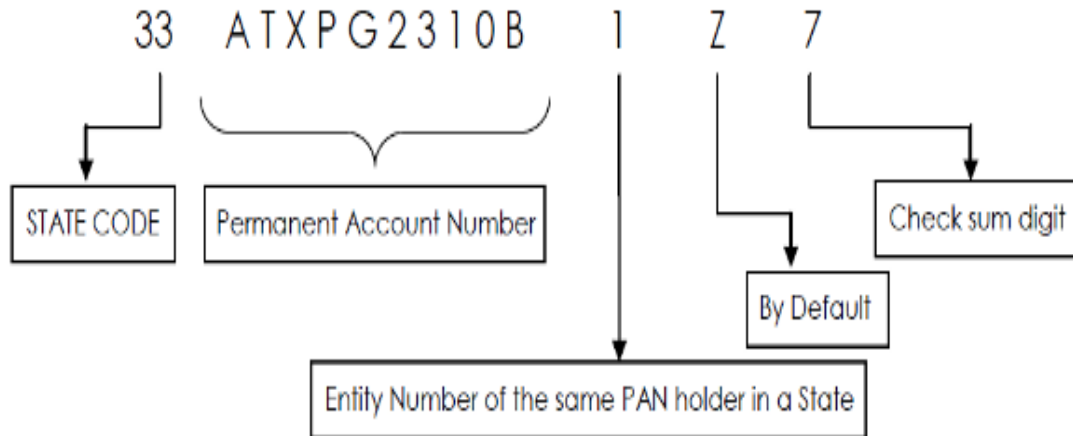
1. **Different States:** The seller and buyer are located in different states.
2. **Tax Applicability:** Inter-state transactions are subject to:
 - **IGST (Integrated Goods and Services Tax):** Collected by the central government and later shared between the central and state governments.

Example:

- **Seller:** Located in Maharashtra.
- **Buyer:** Located in Gujarat.
- **Taxes Levied:** If the transaction amount is ₹10,000 and the applicable GST rate is 18%, then:
 - IGST: ₹1,800 (18% of ₹10,000)

16.4 GST Registration:

- Under the GST taxation system, all businesses will be unified under the 'One Tax' – GST. This leads to a unified tax registration of all businesses.
- Being registered under the GST law means a business is acknowledged by the Government of India, as a supplier of Goods and Services.
- Only registered (Regular) businesses are allowed to claim Input Tax Credit.
- **GSTIN Structure**
- On registration, each business will be allocated a unique 15-digit PAN-based registration number.



16.5 Mandatory Registration:

The following category of the person have to mandatorily register, irrespective of their turnover.

- A person responsible to deduct TDS.
- Casual and non-residents taxable persons.
- Input service distributors.
- Businessess liable to pay tax under reverse charge.
- E-commerce operators
- Agent supplying on behalf of taxable persons
- A person supplying online information and database access services from outside India to an unregistered person in India.
- Sellers of goods on E-Commerce platforms and threshold exemption is applicable for the seller of service on the e-commerce platform.
- A Taxable person carrying on Interstate Supply.

16.6 Types of Registration under GST:

Regular Dealer Registration:

- Business crossing the defined annual aggregate turnover threshold is liable to register under GST. The Aggregate turnover includes the value of all taxable, exempt, and export supplies made across India by a business with the same PAN.

Composition Dealer Registration

- Composition Scheme under GST is a simple and easy mechanism for small taxpayers, wherein the taxpayers have less tedious GST formalities and pay GST at a lower tax rate on their turnover.

Tax Rate Structure

Tax Type	Tax Rate	Goods and Services
Zero Rated	0%	This Includes Essential Items Including Food
Merit Rate	5%	This Includes Commonly Used Items
Standard Rate	12%	This Includes Fast Moving Consumer Goods
Standard Rate	18%	
Demerit Rate	28%	This Includes Luxury Car, Tobacco and Aerated Drinks

16.7 Classification of goods and services (HSN & SAC)

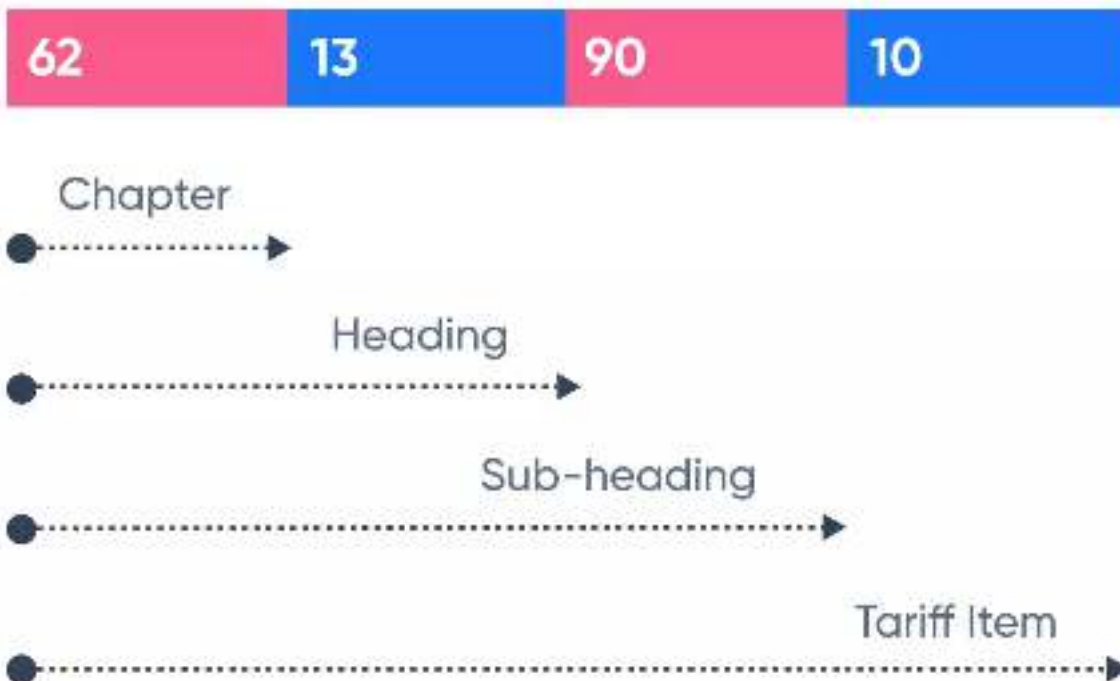
Every good or service are classified using a numbering system to identify and tax them correctly. For goods, HSN is used and for the services, SAC is used. Let us understand them:

a. Harmonized System of Nomenclature (HSN):

HSN code stands for "Harmonized System of Nomenclature". This system has been introduced for the systematic classification of goods all over the world. HSN code is a 6 to 8-digit uniform code that classifies 5000+ products and is accepted worldwide. It was developed by the World Customs Organization (WCO) and it came into effect from 1988.

For example: The HSN for Handkerchiefs made of Textile matters is 62139010.

As a GST learner, we need to know that every product has an HSN number and are taxed based on HSN, hence knowing the HSN of the product is very important to ensure that the correct GST tax rate is applied.



b. Services Accounting Code (SAC):

Like goods, services are also classified uniformly for recognition, measurement and taxation. Codes for services are called Services Accounting Code or SAC.

For example: Legal documentation and certification services concerning patents, copyrights and other intellectual property rights: 998213

- The first two digits are same for all services i.e. 99

- The next two digits (82) represent the major nature of service, in this case, legal services

The last two digits (13) represent detailed nature of service ie legal documentation for patents etc.,

Important note:

The Turnover check needs to be done on all India basis for each PAN, which means that the total turnover across the country under the same business PAN i.e. for one legal entity (Company, Firm, sole proprietorship etc.) needs to added and checked if that crosses the turnover threshold.

Turnover limits for Regular Registration:

a. For Supplier of 'Goods' or 'Services':

- Threshold Limit - Rs. 10 Lakhs (Manipur, Mizoram, Nagaland, Tripura)

- Threshold Limit - Rs. 20 Lakhs (Arunachal Pradesh, Meghalaya, Sikkim, Uttarakhand, Puducherry, Telangana)

b. For Supplier of 'Services' or 'Both Goods & Services':

- Threshold Limit - Rs. 20 Lakhs (J&K, Assam, Himachal Pradesh, All otherstates)

c. For Supplier of 'Goods' only:

- Threshold Limit - Rs. 40 Lakhs (J&K, Assam, Himachal Pradesh, All Other States)

States with threshold limit of 10 Lakhs for Supplier of Goods and/or Services	States/UTs with threshold limit of 20 Lakhs for Supplier of Goods and/or Services	States/UTs with threshold limit of 20 Lakhs for Supplier of Services/ both of goods and Services and 40 Lakhs for Supplier of Goods (intra state)
Manipur Mizoram Nagaland Tripura	Arunachal Pradesh Meghalaya Sikkim Uttarakhand Puducherry Telangana	Jammu & Kashmir Assam Himachal Pradesh All other states

16.8 Keywords:

1. GST Configuration Enable GST in Tally Prime to manage and track tax transactions.
2. Tax Ledgers Create and categorize GST tax ledgers for accurate accounting.
3. Invoicing: Generate GST-compliant invoices with automated tax calculations.
4. Returns Filing: Simplify GST return filings with integrated reports and data validation.

16.9 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K.Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

B. Rama Rao

Lesson - 17

INVOICES WITH INTRA STATE TRANSACTION

Objective:

1. Understanding Intra State Transactions: Define intra-state transactions and their significance in GST.
2. Creating Intra State Invoices: Detail the process of creating invoices for intra-state transactions in Tally Prime.
3. GST Calculation: Explain how GST is calculated and applied on intra-state invoices.
4. Compliance and Reporting: Discuss the compliance requirements for intra-state invoices under GST.
5. Integration with ITC: Illustrate how intra-state invoices are integrated with Input Tax Credit claims.

Structure:

- 17.1 Introduction to Purchases Voucher in Tally Prime
- 17.2 Introduction to Sale Voucher with GST
- 17.3 Keywords
- 17.4 Reference

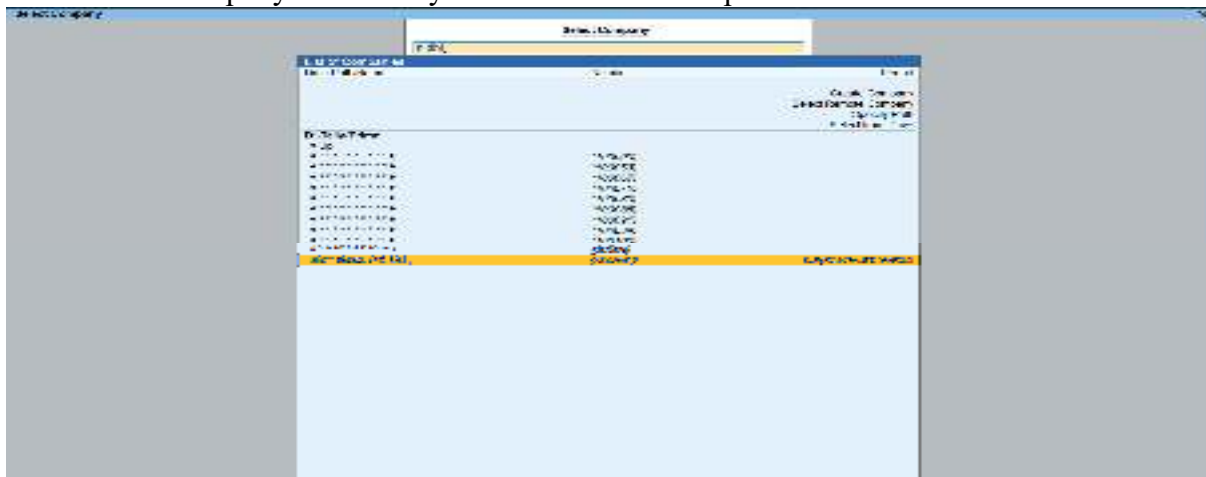
17.1 Introduction to Purchases Voucher in Tally Prime:

Recording a purchase bill in Tally Prime with GST involves several steps, including configuring GST details, creating necessary ledgers, and entering the purchase details in the purchase voucher. Here's a detailed step-by-step guide along with an explanation for each part of the process.

Step-by-Step Guide to Record a Purchase Bill with GST in Tally Prime

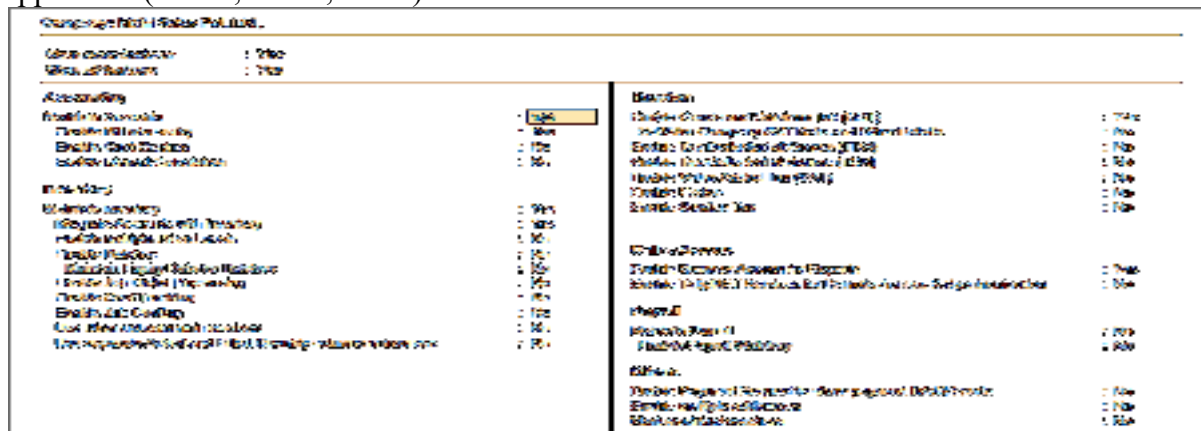
Step 1: Open Tally Prime and Select the Company

1. Open Tally Prime.
2. Select the company for which you want to record the purchase bill.



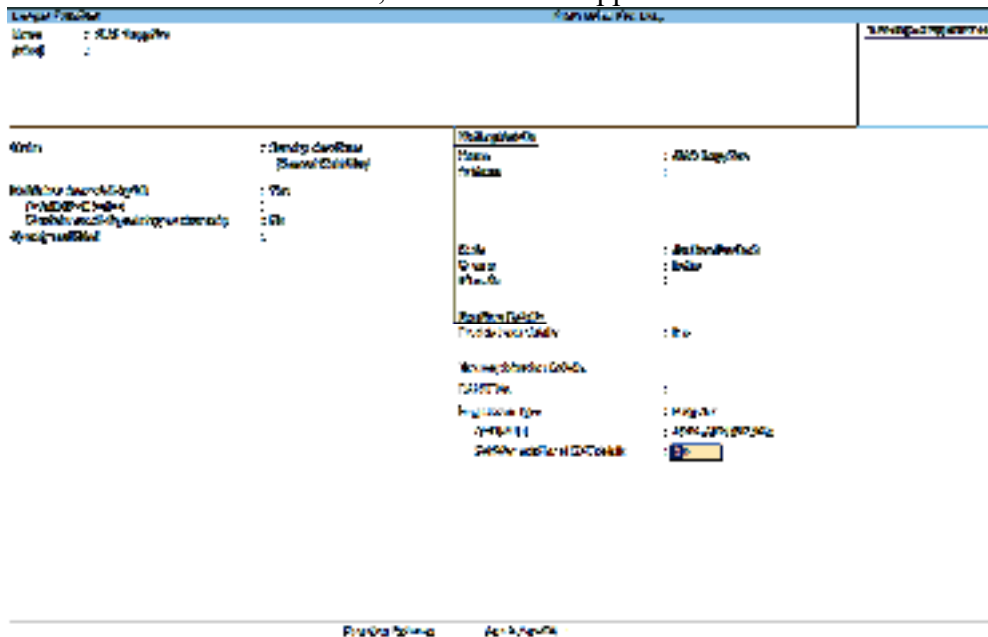
Step 2: Enable GST Features

1. Go to Gateway of Tally.
2. Navigate to `F11: Features`.
3. Select `Statutory & Taxation`.
4. Enable `Goods and Services Tax (GST)` by setting it to `Yes`.
5. Enter the required GST details, such as GSTIN, applicable state, and the types of GST applicable (CGST, SGST, IGST).



Step 3: Create Necessary Ledgers

1. Create Supplier Ledger:
 - Go to **Gateway of Tally > Accounts Info > Ledgers > Create**.
 - Name: Enter the supplier's name (e.g., ABC Supplies).
 - Under: Sundry Creditors.
 - Maintain balances bill-by-bill: Yes.
 - GSTIN: Enter the supplier's GSTIN.
 - Set/alter GST details: Yes, then fill in the applicable GST details.



2. Create Purchase Ledger:

- Go to **Gateway of Tally > Accounts Info > Ledgers > Create**.

- Name: Purchases.
- Under: Purchase Accounts.
- Type of Ledger: Not applicable (since it's a general purchase ledger).
- Set/alter GST details: Yes, then select 'Goods' as the type of supply and fill in the necessary GST rates (e.g., 18%).

Ledger Creation		GST Details	
Name	Purchases	Type of Supply	Goods
Under	Purchase Accounts	CGST Rate	18%
Type of Ledger	Not applicable	SGST Rate	0%
Set/alter GST details	Yes	IGST Rate	0%
Name: Purchases Under: Purchase Accounts Type of Ledger: Not applicable Set/alter GST details: Yes		Type of Supply: Goods CGST Rate: 18% SGST Rate: 0% IGST Rate: 0%	

3. Create Input CGST Ledger

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Input CGST.
- Under: Duties & Taxes.
- Type of Duty/Tax: GST.
- GST Tax Type: Central Tax (CGST).
- Percentage of Calculation: Enter the applicable rate (e.g., 0%).

Ledger Creation		GST Details	
Name	Input CGST	Type of Supply	Goods
Under	Duties & Taxes	CGST Rate	0%
Type of Ledger	Duties & Taxes	SGST Rate	0%
Set/alter GST details	Yes	IGST Rate	0%
Name: Input CGST Under: Duties & Taxes Type of Ledger: Duties & Taxes Set/alter GST details: Yes		Type of Supply: Goods CGST Rate: 0% SGST Rate: 0% IGST Rate: 0%	

4. Create Input SGST Ledger

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Input SGST.
- Under: Duties & Taxes.
- Type of Duty/Tax: GST.
- GST Tax Type: State Tax (SGST).
- Percentage of Calculation: Enter the applicable rate (e.g., 0%).

Tally Software Solution		Tally Software Solution	
Name :	Input IGST		
Type of Duty/Tax :	GST		
Percentage of Calculation :	0%		
Applicable Rate :	0%		
		Input IGST Name : Address :	
		Input IGST Details Available for Input : No Tax Type/Rate/Calculation :	

5. Create Input IGST Ledger:

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Input IGST.
- Under: Duties & Taxes.
- Type of Duty/Tax: GST.
- GST Tax Type: Integrated Tax (IGST).
- Percentage of Calculation: Enter the applicable rate (e.g., 0%).

Tally Software Solution		Tally Software Solution	
Name :	Input IGST		
Type of Duty/Tax :	GST		
Percentage of Calculation :	0%		
Applicable Rate :	0%		
		Input IGST Name : Address :	
		Input IGST Details Available for Input : No Tax Type/Rate/Calculation :	

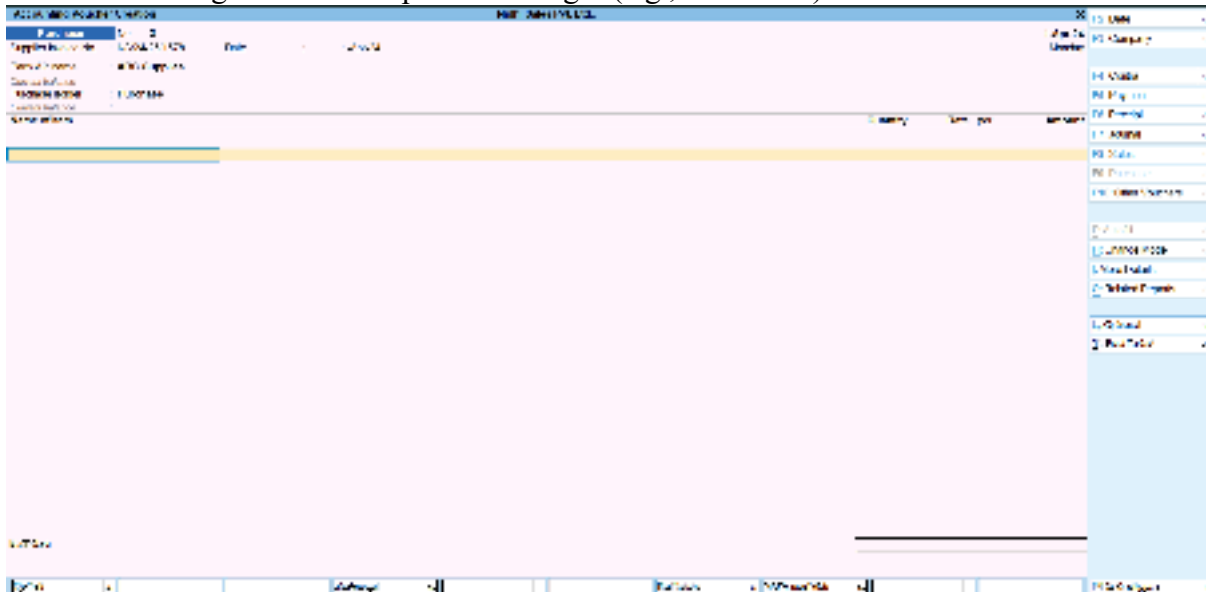
Step 4: Record the Purchase Voucher

1. Go to Gateway of Tally.
2. Navigate to `Vouchers`.
3. Select `F9: Purchase`. This opens the Purchase Voucher screen.



Step 5: Enter Purchase Details

1. Date: Enter the date of the purchase transaction.
2. Party A/c Name: Select the supplier's account (e.g., ABC Supplies).
3. Purchase Ledger: Select the purchase ledger (e.g., Purchases).



4. Name of Item: Select the item being purchased. If the item is not already in the system, create a new stock item. While, at the time of creation of item enter the HSN Code of such Product (or) SAC Code for such Services to be rendered by the Consumer from the supplier.
5. Quantity: Enter the quantity of the item.
6. Rate: Enter the rate per unit of the item.
7. Amount: Tally Prime will automatically calculate the total amount (Quantity x Rate).

Account Name: [Bharat] Entity Name: [Bharat Ltd.]

Name: [Bharat Ltd.] Date: [20/01/2018]

Address: []

Supplier : [Bharat]	Supplier Details
Code : []	Supplier Name : [Bharat]
Posting Key : []	Supplier Address : []
	Supplier Type : []
	Supplier Group : []
	Supplier Category : []

Step 6: Enter GST Details

1. Input CGST: Select the Input CGST ledger.
2. Input SGST: Select the Input SGST ledger.
3. Input IGST: Select the Input IGST ledger (if applicable).
4. Amount: Tally Prime will automatically calculate the GST amounts based on the purchase value.

Account Name	Debit	Credit	Balance
Input CGST		1000	
Input SGST		1000	
Input IGST			
Total		2000	

Step 7: Complete and Save the Voucher

1. Narration: Enter any additional details or notes about the transaction.
2. Save the Voucher: After entering all the details, press `Ctrl+A` to save the voucher.

Sl. No.	Item Name	Quantity	Rate	Amount
1	Stationery	10	500	5000
				Total
				5000
				CGST (9%)
				450
				SGST (9%)
				450
				Total
				5900

Example:

Let's assume you are purchasing 10 units of an item called "Stationery" at ₹500 per unit from a supplier named "ABC Supplies" with an 18% GST rate (9% CGST and 9% SGST).

1. Open Purchase Voucher ('F9').
2. Date: 02-06-2024.
3. Party A/c Name: ABC Supplies.
4. Purchase Ledger: Purchases.
5. Name of Item: Stationery.
6. Quantity: 10.
7. Rate: ₹500.
8. Amount: Automatically calculated as ₹5,000.
9. Input CGST: ₹450 (9% of ₹5,000).
10. Input SGST: ₹450 (9% of ₹5,000).
11. Narration: "Purchased 10 units of stationery with GST."

- Header Section:

- Date: 08-06-2024

- Voucher Type: Purchase

- Party Details:

- Party A/c Name: ABC Supplies

- Purchase Ledger: Purchases

- Item Details Section:

- Name of Item: Stationery

- Quantity: 10

- Rate: ₹500

- Amount: ₹5,000

- GST Details:

- Input CGST: ₹450 (9%)
- Input SGST: ₹450 (9%)

- Narration: Purchased 10 units of stationery with GST.

By following these steps, you can accurately record a purchase bill with GST in Tally Prime, ensuring compliance with GST regulations and maintaining organized financial records.

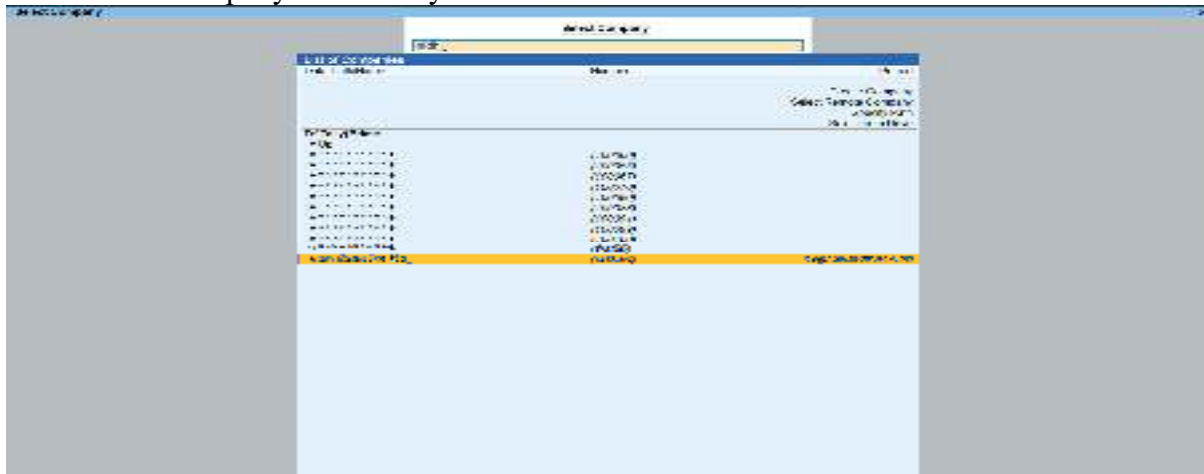
17.2 Introduction to Sale Voucher with GST:

Recording a sales bill in Tally Prime with GST involves several steps, including configuring GST details, creating necessary ledgers, and entering the sales details in the sales voucher. Here's a detailed step-by-step guide along with an explanation for each part of the process.

Step-by-Step Guide to Record a Sales Bill with GST in Tally Prime

Step 1: Open Tally Prime and Select the Company

1. Open Tally Prime.
2. Select the company for which you want to record the sales bill.



Step 2: Enable GST Features

1. Go to Gateway of Tally.
2. Navigate to `F11: Features`.
3. Select `Statutory & Taxation`.
4. Enable `Goods and Services Tax (GST)` by setting it to `Yes`.
5. Enter the required GST details, such as GSTIN, applicable state, and the types of GST applicable (CGST, SGST, IGST).

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Sales.
- Under: Sales Accounts.
- Type of Ledger: Not applicable (since it's a general sales ledger).
- Set/alter GST details: Yes, then select 'Goods' or 'Services' as the type of supply and fill in the necessary GST rates (e.g., 0%).

Ledger Information		GST Details	
Name	SALES	Type of Supply	Goods
Under	Sales Accounts	Rate	0%
Type of Ledger	General Ledger	Input Tax Credit	Not Applicable
Accounting Method	First In First Out	Output Tax	0%
Accounting Method	First In First Out	Input Tax Credit	Not Applicable
Accounting Method	First In First Out	Output Tax	0%

3. Create Output CGST Ledger:

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Output CGST.
- Under: Duties & Taxes.
- Type of Duty/Tax: GST.
- GST Tax Type: Central Tax (CGST).
- Percentage of Calculation: Enter the applicable rate (e.g., 0%).

Ledger Information		GST Details	
Name	Output CGST	Type of Supply	Goods
Under	Duties & Taxes	Rate	0%
Type of Ledger	General Ledger	Input Tax Credit	Not Applicable
Accounting Method	First In First Out	Output Tax	0%
Accounting Method	First In First Out	Input Tax Credit	Not Applicable
Accounting Method	First In First Out	Output Tax	0%

4. Create Output SGST Ledger:

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Output SGST.
- Under: Duties & Taxes.
- Type of Duty/Tax: GST.
- GST Tax Type: State Tax (SGST).
- Percentage of Calculation: Enter the applicable rate (e.g., 0%).

The screenshot shows the 'Create Ledger' dialog box in Tally. The 'Name' field is set to 'Output SGST'. The 'Under' field is set to 'Duties & Taxes'. The 'Type of Duty/Tax' is set to 'GST'. The 'GST Tax Type' is set to 'State Tax (SGST)'. The 'Percentage of Calculation' is set to '0%'. The 'Starting Balance' section is empty. The 'Posting Defaults' section is also empty. The 'OK' button is visible at the bottom right.

5. Create Output IGST Ledger:

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Output IGST.
- Under: Duties & Taxes.
- Type of Duty/Tax: GST.
- GST Tax Type: Integrated Tax (IGST).
- Percentage of Calculation: Enter the applicable rate (e.g., 0%).

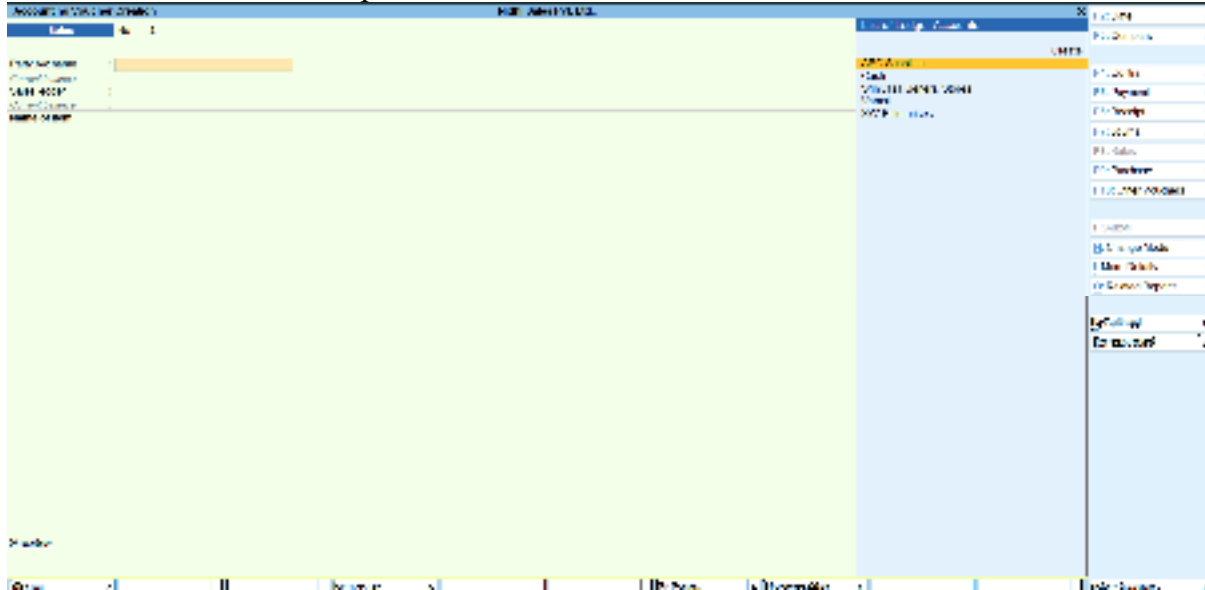
The screenshot shows the 'Create Ledger' dialog box in Tally. The 'Name' field is set to 'Output IGST'. The 'Under' field is set to 'Duties & Taxes'. The 'Type of Duty/Tax' is set to 'GST'. The 'GST Tax Type' is set to 'Integrated Tax (IGST)'. The 'Percentage of Calculation' is set to '0%'. The 'Starting Balance' section is empty. The 'Posting Defaults' section is also empty. The 'OK' button is visible at the bottom right.

Step 4: Record the Sales Voucher

1. Go to Gateway of Tally.

2. Navigate to `Vouchers`.

3. Select `F8: Sales`. This opens the Sales Voucher screen.



Step 5: Enter Sales Details

1. Date: Enter the date of the sales transaction.

2. Party A/c Name: Select the customer's account (e.g., XYZ Enterprises).

3. Sales Ledger: Select the sales ledger (e.g., Sales).



4. Name of Item: Select the item being sold. If the item is not already in the system, create a new stock item. At the time of purchases then only item shall be created so we can use the existing item only. And along that at the time of Creation itself the HSN Code of such Product or SAC Code of Such Services and also enter the GST Rate for such Item shall be entered Mandatory.

5. Quantity: Enter the quantity of the item.

6. Rate: Enter the rate per unit of the item.

7. Amount: Tally Prime will automatically calculate the total amount (Quantity x Rate).

Quantity	Rate	Amount
		40000.00
Total		40000.00

Step 6: Enter GST Details

1. Output CGST: Select the Output CGST ledger.

2. Output SGST: Select the Output SGST ledger.

3. Output IGST: Select the Output IGST ledger (if applicable).

4. Amount: Tally Prime will automatically calculate the GST amounts based on the sales value.

Quantity	Rate	Amount
		40000.00
Total		40000.00

Step 7: Complete and Save the Voucher

1. Narration: Enter any additional details or notes about the transaction.

2. Save the Voucher: After entering all the details, press `Ctrl+A` to save the voucher (or) Press enter key upto the end then also it shall be save



Example:

Let's assume you are selling 5 units of an item called "Stationery" at ₹1,000 per unit to a customer named "XYZ Enterprises" with an 18% GST rate (9% CGST and 9% SGST).

1. Open Sales Voucher ('F8').
2. Date: 01-06-2024.
3. Party A/c Name: XYZ Enterprises.
4. Sales Ledger: Sales.
5. Name of Item: Stationery.
6. Quantity: 5.
7. Rate: ₹1,000.
8. Amount: Automatically calculated as ₹5,000.
9. Output CGST: ₹450 (9% of ₹5,000).
10. Output SGST: ₹450 (9% of ₹5,000).
11. Narration: "Sold 5 units of stationery with GST."

- Header Section:

- Date: 08-06-2024
- Voucher Type: Sales
- Party Details: XYZ Enterprises
- Sales Ledger: Sales

- Item Details Section:

- Name of Item: Stationery
- Quantity: 5
- Rate: ₹1,000
- Amount: ₹5,000

- GST Details:

- Output CGST: ₹450 (9%) & Output SGST: ₹450 (9%)
- Narration: Sold 5 units of stationery with GST.

By following these steps, you can accurately record a sales bill with GST in Tally Prime, ensuring compliance with GST regulations and maintaining organized financial records.

17.3 Keywords for Purchase:

- Voucher: Purchase Invoice
- Description: Recording purchase of goods within the state.
- Steps: Enter supplier details, item details, and GSTIN. Verify and save.

Keywords for Sale:

- Voucher: Sales Invoice
- Description: Documenting sale of goods within the state.
- Steps: Input customer details, item details, and GSTIN. Validate and save.

In Tally Prime, ensure accurate GSTIN entry for intra-state transactions to comply with GST norms effectively

17.4 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

B. Rama Rao

Lesson - 18

INVOICES WITH INTER STATE TRANSACTION

Objective:

1. Understanding Inter State Transactions: Define inter-state transactions and their relevance in GST.
2. Creating Inter State Invoices: Detail the process of creating invoices for inter-state transactions in Tally Prime.
3. IGST Calculation: Explain how Integrated GST (IGST) is calculated and applied on inter-state invoices.
4. Documentation Requirements: Highlight the necessary documentation for inter-state transactions.
5. Reporting and Compliance: Discuss the reporting and compliance requirements for inter-state invoices under GST.

Structure:

- 18.1 Purchase Invoice with Inter State Transactions
- 18.2 Sale Invoice with Inter State Transactions
- 18.3 How to Alter and Delete a Purchase or Sales Voucher in Tally Prime
- 18.4 Important Notes
- 18.5 Keywords
- 18.6 Reference

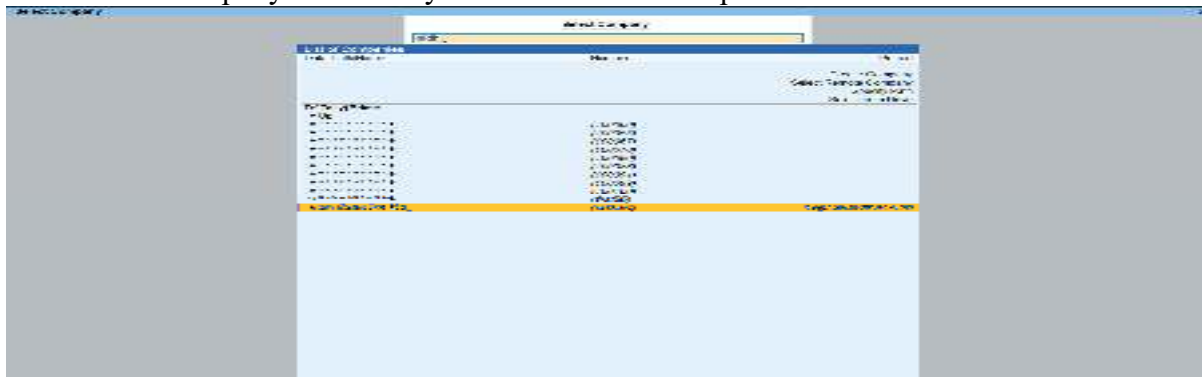
18.1 Purchase Invoice with Inter State Transactions:

Recording an inter-state purchase bill with Integrated GST (IGST) in Tally Prime involves configuring GST details, creating necessary ledgers, and entering the purchase details in the purchase voucher. Here's a detailed step-by-step guide along with an explanation for each part of the process.

Step-by-Step Guide to Record an Inter-State Purchase Bill with IGST in Tally Prime

Step 1: Open Tally Prime and Select the Company

1. Open Tally Prime.
2. Select the company for which you want to record the purchase bill.



Step 2: Enable GST Features

1. Go to Gateway of Tally.
2. Navigate to `F11: Features`.
3. Select `Statutory & Taxation`.
4. Enable `Goods and Services Tax (GST)` by setting it to `Yes`.
5. Enter the required GST details, such as GSTIN, applicable state, and the types of GST applicable (CGST, SGST, IGST).

Company: Mita Sales Pvt. Ltd.	
Statutory Features	Yes
Statutory Features	Yes
Accounting	
Maintain Accounts	Yes
Enable Bill of Entry	Yes
Enable Cost Center	Yes
Enable Interest Calculation	Yes
Inventory	
Maintain Inventory	Yes
Enable ABC Analysis in Inventory	Yes
Enable FIFO in Inventory	Yes
Enable LIFO in Inventory	Yes
Maintain Age's Book in Business	Yes
Enable Job Cost Accounting	Yes
Enable Cost Tracking	Yes
Enable Job Costing	Yes
Enable Material Issues in Inventory	Yes
Enable Open Amount and Bill Quantity values in Invoices	Yes
Taxation	
Enable Goods and Services Tax (GST)	Yes
Enable Central GST Rate and Other Fees in	Yes
Enable Tax Deducted at Source (TDS)	Yes
Enable Tax Collected at Source (TCS)	Yes
Enable Value Added Tax (VAT)	Yes
Enable Excise	Yes
Enable Service Tax	Yes
Online Access	
Enable Invoice Access in Internet	Yes
Enable e-way Bill Services in Business Account Configuration	Yes
Payroll	
Maintain Payroll	Yes
Enable Payroll Summary	Yes
Others	
Enable Agency Account in Sales Journal Invoices	Yes
Enable Multiple Addressee	Yes
Enable Multiple Suppliers	Yes

Step 3: Create Necessary Ledgers

1. Create Supplier Ledger:
 - Go to Gateway of Tally > Accounts Info > Ledgers > Create.
 - Name: Enter the supplier's name (e.g., DEF Supplies).
 - Under: Sundry Creditors.
 - Maintain balances bill-by-bill: Yes.
 - GSTIN: Enter the supplier's GSTIN.
 - Set/alter GST details: Yes, then fill in the applicable GST details.
 - State: Gujrat

Company: Mita Sales Pvt. Ltd.		GST Supplier Ledger	
Name	DEF Supplies	Supplier Name	DEF Supplies
Under	Sundry Creditors	State	Gujrat
Maintain balances bill-by-bill	Yes	Country	India
Enable Bill of Entry	Yes	Maintain Inventory	Yes
Enable Cost Center	Yes	Enable ABC Analysis in Inventory	Yes
Enable Interest Calculation	Yes	Enable FIFO in Inventory	Yes
Enable LIFO in Inventory	Yes	Enable LIFO in Inventory	Yes
Maintain Age's Book in Business	Yes	Enable Job Cost Accounting	Yes
Enable Job Cost Accounting	Yes	Enable Cost Tracking	Yes
Enable Job Costing	Yes	Enable Material Issues in Inventory	Yes
Enable Material Issues in Inventory	Yes	Enable Open Amount and Bill Quantity values in Invoices	Yes

2. Create Purchase Ledger:

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Purchases.
- Under: Purchase Accounts.
- Type of Ledger: Not applicable (since it's a general purchase ledger).
- Set/alter GST details: Yes, then select 'Goods' as the type of supply and fill in the necessary GST rates (e.g., 0%).

The screenshot shows the 'Create Ledger' dialog box in Tally. The 'Name' field contains 'Purchases'. The 'Under' field is set to 'Purchase Accounts'. The 'Type of Ledger' is 'Not Applicable'. The 'GST Details' section is expanded, showing 'Type of Supply' as 'Goods' and 'GST Rate' as '0%'. The 'Print' button is visible at the bottom right.

3. Create Input IGST Ledger:

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Input IGST.
- Under: Duties & Taxes.
- Type of Duty/Tax: GST.
- GST Tax Type: Integrated Tax (IGST).
- Percentage of Calculation: Enter the applicable rate (e.g., 0%).

The screenshot shows the 'Create Ledger' dialog box in Tally. The 'Name' field contains 'Input IGST'. The 'Under' field is set to 'Duties & Taxes'. The 'Type of Duty/Tax' is 'GST'. The 'GST Tax Type' is 'Integrated Tax (IGST)'. The 'Percentage of Calculation' is set to '0%'. The 'Print' button is visible at the bottom right.

Step 4: Record the Purchase Voucher

1. Go to Gateway of Tally.

2. Navigate to `Vouchers`.

3. Select `F9: Purchase`. This opens the Purchase Voucher screen.



Step 5: Enter Purchase Details

1. Date: Enter the date of the purchase transaction.

2. Party A/c Name: Select the supplier's account (e.g., DEF Supplies).

3. Purchase Ledger: Select the purchase ledger (e.g., Purchases).



4. Name of Item: Select the item being purchased. If the item is not already in the system, create a new stock item.

5. Quantity: Enter the quantity of the item.

6. Rate: Enter the rate per unit of the item.

7. Amount: Tally Prime will automatically calculate the total amount (Quantity x Rate).

Particulars	Dr	Cr
Purchase	2,00,000.00	
Purchase		2,00,000.00
Total	2,00,000.00	2,00,000.00

Step 6: Enter IGST Details

1. Input IGST: Select the Input IGST ledger.
2. Amount: Tally Prime will automatically calculate the IGST amount based on the purchase value.

Particulars	Dr	Cr
Purchase	2,00,000.00	
Purchase		2,00,000.00
IGST	12,000.00	
Total	2,12,000.00	2,00,000.00

Step 7: Complete and Save the Voucher

1. Narration: Enter any additional details or notes about the transaction.
2. Save the Voucher: After entering all the details, press `Ctrl+A` to save the voucher.

The screenshot displays a purchase voucher entry in Tally Prime. The voucher is dated 01-06-2024 and is for a purchase from 'DEF Supplies'. The item being purchased is 'Stationery' with a quantity of 10 units at a rate of ₹500 per unit. The total amount is ₹5,000.00. The input IGST is ₹900.00, resulting in a total payable amount of ₹5,900.00. The voucher is categorized under 'Purchases' and has a narration of 'Purchased 10 units of stationery with IGST.' The screenshot also shows the 'Company' field set to 'ABC Supplies' and the 'Date' field set to '01-06-2024'.

Sl. No.	Quantity	Rate	Amount
1	10	500.00	5000.00
IGST (18%)			900.00
Total			5900.00

Example:

Let's assume you are purchasing 10 units of an item called "Stationery" at ₹500 per unit from a supplier named "ABC Supplies" in a different state with an 18% GST rate (IGST).

1. Open Purchase Voucher ('F9').
2. Date: 01-06-2024.
3. Party A/c Name: DEF Supplies.
4. Purchase Ledger: Purchases.
5. Name of Item: Stationery.
6. Quantity & Rate: 10 & ₹500
8. Amount: Automatically calculated as ₹5,000.
9. Input IGST: ₹900 (18% of ₹5,000).
10. Narration: "Purchased 10 units of stationery with IGST."

By following these steps, you can accurately record an inter-state purchase bill with IGST in Tally Prime, ensuring compliance with GST regulations and maintaining organized financial records.

18.2 Sale Invoice with Inter State Transactions:

Recording an inter-state sales bill with Integrated GST (IGST) in Tally Prime involves configuring GST details, creating necessary ledgers, and entering the sales details in the sales voucher. Here's a detailed step-by-step guide along with an explanation for each part of the process.

Step-by-Step Guide to Record an Inter-State Sales Bill with IGST in Tally Prime

Step 1: Open Tally Prime and Select the Company

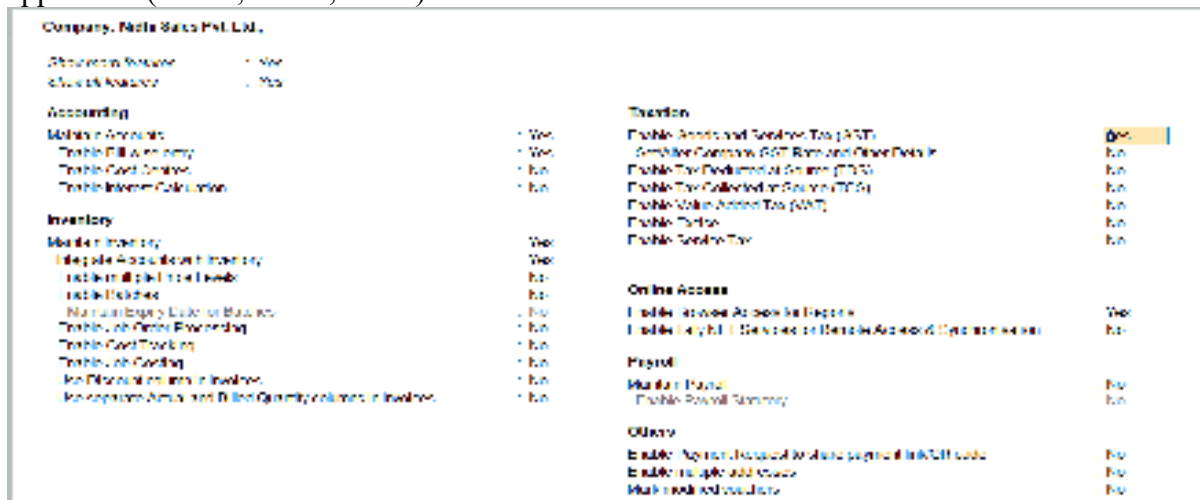
1. Open Tally Prime.

2. Select the company for which you want to record the sales bill.



Step 2: Enable GST Features

1. Go to Gateway of Tally.
2. Navigate to `F11: Features`.
3. Select `Statutory & Taxation`.
4. Enable `Goods and Services Tax (GST)` by setting it to `Yes`.
5. Enter the required GST details, such as GSTIN, applicable state, and the types of GST applicable (CGST, SGST, IGST).



Step 3: Create Necessary Ledgers

1. Create Customer Ledger:

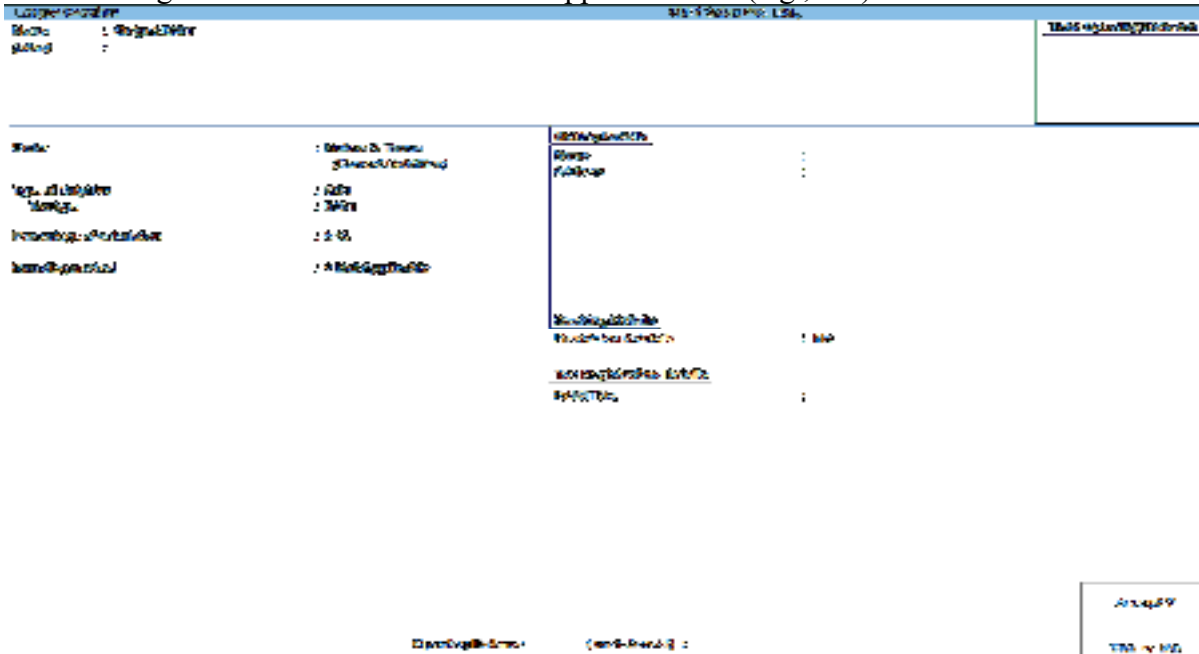
- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
 - Name: Enter the customer's name (e.g., XYZ Imports).
 - Under: Sundry Debtors.
 - Maintain balances bill-by-bill: Yes.
 - GSTIN: Enter the customer's GSTIN.
 - Set/alter GST details: Yes, then fill in the applicable GST details.
- State: Bihar

2. Create Sales Ledger:

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Sales.
- Under: Sales Accounts.
- Type of Ledger: Not applicable (since it's a general sales ledger).
- Set/alter GST details: Yes, then select 'Goods' or 'Services' as the type of supply and fill in the necessary GST rates (e.g., 0%).

3. Create Output IGST Ledger:

- Go to Gateway of Tally > Accounts Info > Ledgers > Create.
- Name: Output IGST.
- Under: Duties & Taxes.
- Type of Duty/Tax: GST.
- GST Tax Type: Integrated Tax (IGST).
- Percentage of Calculation** : Enter the applicable rate (e.g., 0%).



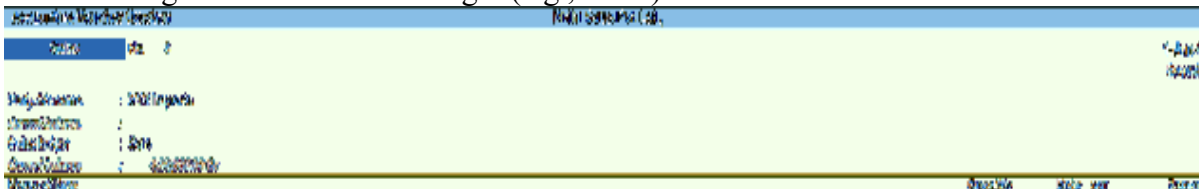
Step 4: Record the Sales Voucher

1. Go to Gateway of Tally.
2. Navigate to `Vouchers`.
3. Select `F8: Sales`. This opens the Sales Voucher screen.



Step 5: Enter Sales Details

1. Date: Enter the date of the sales transaction.
2. Party A/c Name: Select the customer's account (e.g., XYZ Imports).
3. Sales Ledger: Select the sales ledger (e.g., Sales).



4. Name of Item: Select the item being sold. If the item is not already in the system, create a new stock item.
5. Quantity: Enter the quantity of the item.
6. Rate: Enter the rate per unit of the item.
7. Amount: Tally Prime will automatically calculate the total amount (Quantity x Rate).

Quantity	Rate per	Amount
4000	50000.00 per	200000.00
2000	100000.00 per	200000.00
		400000.00

Step 6: Enter IGST Details

1. Output IGST: Select the Output IGST ledger.
2. Amount: Tally Prime will automatically calculate the IGST amount based on the sales value.

Quantity	Rate per	Amount
4000	50000.00 per	200000.00
2000	100000.00 per	200000.00
		400000.00
Output IGST		120000.00
		520000.00

Step 7: Complete and Save the Voucher

1. Narration: Enter any additional details or notes about the transaction.
2. Save the Voucher: After entering all the details, press `Ctrl+A` to save the voucher.

Quantity	Rate	Amount
10	₹1,000	₹10,000
		₹1,800
		₹11,800

Example:

Let's assume you are selling 10 units of an item called "Stationery" at ₹1,000 per unit to a customer named "XYZ Enterprises" located in a different state with an 18% GST rate (IGST).

1. Open Sales Voucher ('F8').
2. Date: 08-06-2024.
3. Party A/c Name: XYZ Enterprises.
4. Sales Ledger: Sales.
5. Name of Item: Stationery.
6. Quantity & Rate : 10 & ₹1,000.
- 7.Amount: Automatically calculated as ₹10,000.
8. Output IGST: ₹1,800 (18% of ₹10,000).
9. Narration: "Sold 10 units of stationery with IGST."

By following these steps, you can accurately record an inter-state sales bill with IGST in Tally Prime, ensuring compliance with GST regulations and maintaining organized financial records.

18.3 How to Alter and Delete a Purchase or Sales Voucher in Tally Prime

In Tally Prime, you might need to alter or delete a purchase or sales voucher to correct errors or update information. Here's a detailed step-by-step guide on how to alter and delete these vouchers.

Step-by-Step Guide to Alter a Voucher

1. Open Tally Prime and Select the Company

- Open Tally Prime.
- Select the company in which the voucher you want to alter exists.

2. Navigate to Voucher Alteration Screen

- Go to Gateway of Tally.
- Navigate to 'Display' > 'Day Book' or '**'Display' > 'Account Books' > 'Ledger'.
- Select the ledger account (e.g., Sundry Creditors for purchases or Sundry Debtors for sales).

- Find and select the voucher you want to alter by scrolling through the list or using the `F2: Period` option to filter by date.

3. Alter the Voucher

- Press `Enter` on the voucher you want to alter.
- The voucher will open in the alteration mode.
- Make the necessary changes (e.g., changing the quantity, rate, or date).
- Save the voucher by pressing `Ctrl + A`.

Example: Altering a Purchase / Sale Voucher

1. Select the Purchase Voucher:

- Go to Gateway of Tally > Display > Day Book.
- Locate the purchase voucher you want to alter.

2. Open the Voucher:

- Press `Enter` on the selected voucher.
- The voucher will open in alteration mode.

3. Make Changes:

- Update the necessary fields (e.g., change the quantity from 10 to 15 units).
- Save the voucher by pressing `Ctrl + A`.

Step-by-Step Guide to Delete a Voucher:

1. Open Tally Prime and Select the Company

- Open Tally Prime.
- Select the company in which the voucher you want to delete exists.

2. Navigate to Voucher Deletion Screen:

- Go to Gateway of Tally.
- Navigate to `Display` > `Day Book` or `Display` > `Account Books` > `Ledger`.
- Select the ledger account (e.g., Sundry Creditors for purchases or Sundry Debtors for sales).
- Find and select the voucher you want to delete by scrolling through the list or using the `F2: Period` option to filter by date.

3. Delete the Voucher:

- Press `Enter` on the voucher you want to delete to open it.
- Press `Alt + D` to delete the voucher.
- Confirm the deletion by pressing `Y` when prompted.

Example: Deleting a Sales / purchase Voucher

1. Select the Sales Voucher:

- Go to Gateway of Tally > Display > Day Book.
- Locate the sales voucher you want to delete.

2. Open the Voucher:

- Press `Enter` on the selected voucher.
- The voucher will open.

3. Delete the Voucher:

- Press `Alt + D` to delete the voucher.
- Confirm the deletion by pressing `Y`.

18.4 Important Notes

- Backup: Always take a backup of your company data before making significant changes like altering or deleting vouchers.
- Audit Trail: Maintain an audit trail if required for compliance purposes to keep track of all alterations and deletions.

By following these steps, you can efficiently manage alterations and deletions of purchase and sales vouchers in Tally Prime, ensuring your financial records remain accurate and up-to-date.

18.5 Keywords:

1. Purchase: Record inbound goods with IGST for interstate transactions.
 2. Sale: Issue invoices with IGST for goods sold across state borders.
 3. GST: Ensure accurate GST filing; reconcile Input Tax Credit (ITC).
 4. Reports: Generate GSTR-1, GSTR-3B for compliance; monitor CGST, SGST, IGST.
- These terms highlight the essential aspects of handling interstate transactions in Tally Prime, focusing on compliance with GST regulations and efficient reporting.

18.6 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

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Lesson - 19

REPORTS GENERATION

Objective:

1. Importance of Reports: Explain the importance of generating reports for business analysis and decision-making.
2. Types of Reports: Identify different types of reports that can be generated in Tally Prime, such as financial statements and inventory reports.
3. Customization of Reports: Describe how to customize reports to meet specific business needs.
4. Automated Reporting: Discuss the benefits of automated reporting and how to set it up in Tally Prime.
5. Interpretation of Reports: Provide guidelines on how to interpret various reports for actionable insights.

Structure:

- 19.1 Introduction
- 19.2 Trail Balance
- 19.3 Profit And Loss Account
- 19.4 Balance Sheet
- 19.5 Cash Flow Analysis
- 19.6 Fund Flow Analysis
- 19.7 MIS Reports
- 19.8 Item Wise Profitability Analysis
- 19.9 Stock Query
- 19.10 Daybook
- 19.11 Purchases Register
- 19.12 Sales Register
- 19.13 Problems on Purchase & Sale Invoice
- 19.14 Keywords
- 19.15 Reference

19.1 Introduction:

Every business organisation is required to prepare financial reports that show the business profit or loss (Profit and Loss account) and financial position of the company (Balance Sheet) at the end of a financial period.

In this Chapter Introduction to Tally, you were introduced to the Trading Account, Profit and Loss Account and balance sheet

The focus will be on how to View and Generate there Reports in Tally.

Why does every Organisation need to generate Financial Reports ?

- Track the financial performance regularly
- To make key decisions about the company's future and essential for the capital providers and Investors
- To know about the profitability and financial stability of the company

19.2 Trail Balance:

The Tally comes with a diverse set of available Financial and MIS Reports with powerful and actionable insights.

It helps you to make informed decisions for your business growth.

Reports will help you manage all the aspects better with extremely easy discovery. and navigation

What is Trail Balance?

- A statement showing the balance or total of debit and Credits.
- It helps in the preparation of financial statements.
- The balance of various accounts are listed in a statements.
- All revenue and expense accounts appearing in the Trail Balance are transferred to the trading and Profit and Loss accounts.
- **Navigation path:** From Gateway of Tally > Display More Reports > Trial Balance
- To view the Trial Balance in the detailed format press Alt+F5: Detailed
- To view only the ledger wise trial balance, click on F5: Ledger wise
- In Trial Balance in the Monthly view click F6: Monthly
Hence the monthly summary report is automated based on the transactions recorded in each month.
Further , you can enter on enter on each month to view the Trail Balance for every month.

19.3 Profit And Loss Account:

- It is a periodic statement
- Shows the net result of a business operations for a specific period
- All the expenses incurred, and incomes earned during the reporting period are recorded
- **Profit and Loss Account in Tally**
 - Display the information based on the default primary groups
 - Update instantly with every transactions / Voucher
- **Navigation Path:** From Gateway of Tally > Profit & Loss A/c

Once after generating the Profit & Loss A/c the following activity can be done.

- To view Profit & Loss A/c in the detailed format **Press Alt+F5: Detailed.**
- To View Profit & Loss A/c in the Vertical & Horizontal format **Press Ctrl+H: Change view .**
- We can view the Negative ledger from the report by pressing **Ctrl+J :Exception Report.**
- We can change the date in Profit & Loss account using **F2: Period option.**
- In Profit & Loss A/c we can use **F12: Configure** option and set the required parameters in Tally.
- You can observe that in the Vertical view of Profit & Loss A/c, the statement gets split into two- **Trading Account** with the Gross Profit, and **Income Statement** with the Nett Profit.

19.4 Balance Sheet:

A Balance sheet is a financial statement that reports a business financial position on a specific date.

If you observe the term balance sheet implies that the report shows the balance between two figures: the assets and liabilities of a business.

The fundamental accounting equation is Assets:

Liability + Owner's Equity

Navigation Path: From Gateway of Tally > Balance Sheet

19.5 Cash Flow Analysis:

- Records the amount in cash and cash equivalents entering and leaving a Company
- It completes the Balance sheet and Profit and Loss account
- It helps to understand how or from where the company's money is coming and where it is spent
- Shows only the actual cash inflows and outflows of a company
- Navigation Path: From Gateway of Tally > Display More Reports > Cash Flow>Enter on April

19.6 Fund Flow Analysis:

A Fund Flow statement is a report, which explains the movement of funds during an accounting period.

The statement consists of Two Parts

- Source of Funds: The transactions which increase working capital
- Application of Funds: The transactions which decrease working capital Application of funds
- It is supplement to the two principle financial statements
- It describes the source from which additional funds were derived and which funds were used.

Navigation Path: From Gateway of Tally > Display More Reports > Fund Flow>Enter on April

19.7 MIS Reports:

We can generate MIS reports and print from Tally Prime. Reports like Stock Summary, Day Book, Cash Book, Bank Book, Sales Register, Purchase Register, Journal Register can be easily generated and explore the different options in Tally Prime.

Stock Summary Analysis:

Inventory is a crucial process; it helps the organisation track the details of inventories. Instant delivery of this information will help an organisation to make the business decision faster.

In Tally Inventory Operates as mentioned below:

- In Tally, reports can be displayed, modified and print
- Based on the vouchers entered, inventory reports are gets generated in Tally
- Customized reports can be used to compare inventory data between different companies, periods of the financial year
- A Stock Summary is a statement of the stock-in-hand on a date. It is one of the primary inventory statement that is generated in Tally.
- This report updates the stock record in real-time as and when transactions are entered.

Navigation Path: From Gateway of Tally > Stock Summary

19.8 Item Wise Profitability Analysis:

It is one of the significant inventory reports which enables the business owner to know the profitability of each item consider ring the cost and the price.

Advantages

- Stock item wise profitability report in Tally tells you the date when the item is sold first and the date of the last date

- The report also helps in making better buying decisions without having to put extra efforts to go through the marketing trends
- Assessing the profits according to the selling of each stock-item will give a clear picture of how an item is performing in the market which will further give insights into the investment that needs to be made in that product.
- From Gateway of Tally > Stock Summary
- Press Alt+F5: Detailed, to view the Stock Summary in the detailed format.
- Click F7: Show Profit to display the profit for stock items

Particulars	Quantity	Rate	Value	Outwards	Consumption	Gross Profit	Net Profit	Closing Balance	Value
Cassava	14 Nos	23,000.00	3,22,000.00	4,75,000.00	10,000.00	3,000.00	3,000.00	1 New	33,000.00
Cassava 1st Quality	3 Nos	20,000.00	60,000.00	1,00,000.00	0.00	0.00	4.00 %		
Cassava 2nd Quality	3 Nos	20,000.00	60,000.00	1,00,000.00	0.00	0.00	3.00 %		
Cassava 3rd Quality	4 Nos	20,000.00	80,000.00	1,20,000.00	0.00	0.00	3.00 %		
Cassava 4th Quality	10 Nos	20,000.00	2,00,000.00	2,80,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 4th Quality	3 Nos	10,000.00	30,000.00	50,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 4th Quality	4 Nos	10,000.00	40,000.00	70,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 4th Quality	3 Nos	10,000.00	30,000.00	50,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 5th Quality	10 Nos	10,000.00	1,00,000.00	1,50,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 5th Quality	3 Nos	10,000.00	30,000.00	50,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 5th Quality	4 Nos	10,000.00	40,000.00	70,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 5th Quality	3 Nos	10,000.00	30,000.00	50,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 6th Quality	10 Nos	10,000.00	1,00,000.00	1,50,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 6th Quality	3 Nos	10,000.00	30,000.00	50,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 6th Quality	4 Nos	10,000.00	40,000.00	70,000.00	0.00	0.00	0.00 %	1 New	10,000.00
Cassava 6th Quality	3 Nos	10,000.00	30,000.00	50,000.00	0.00	0.00	0.00 %	1 New	10,000.00

19.9 Stock Query:

The Stock Query report provides complete information about a stock item.

The Stock Query report is broadly categorized into four sections:

- Purchases
- Sales
- Godown/Batch Details
- Items of the same Category

For Example: The stock position of a selected stock item at any point of time, latest purchase, and sales, godown where such stock is available etc.

Navigation Path: From Gateway of Tally > Display More Reports > Statements of Inventory > Stock Query

19.10 Daybook:

- The Day Book contains a record of all transactions made by a business, irrespective of the type of transaction.
- By default, the display is set to the date of the last voucher entry made, but this can be set to list all the transactions made over a certain period.
- Transactions include all financial vouchers, reversing and memorandum journals as well as inventory vouchers.

Navigation Path: From Gateway of Tally > Display More Reports > Day Book

Cash Book And Bank Book:

- Helps to record individual transactions details entered
- Items are posted to different ledgers
- Tally allows you to bring all the transactions together of one category books of Accounts

Navigation Path: From Gateway of Tally > Display More Reports > Account Books > Cash/Bank Book(s)

19.11 Purchases Register:

Purchase Register contains the information related to all purchases made by a business concern.

- 1) From Gateway of Tally > Display More Reports> Account Books > Purchase Register > Purchase Register Monthly Summary screen appears,
- 2) Enter on April to display the Ledger Vouchers with the list of purchase vouchers recorded for April.
- 3) Click F8: Columnar to generate columnar register of purchase.

19.12 Sales Register:

A Sales Register displays the monthly summary of all sales transactions and the closing balances at the end of each month, for the selected period.

The list of transactions of any month can be viewed by selecting the required month.

Tally enables change of display according to the information required.

- 1) From Gateway of Tally > Display More Reports> Account Books > Sales Register > Sales Register Monthly Summary screen appears,
- 2) Enter on June to display the Ledger Vouchers with the list of sales vouchers recorded for June.
- 3) Click F8: Columnar to generate columnar register of sales.

19.13 Problems on Purchase & Sale Invoice

Company Creation Details

Company Name: ElectroGadgetsPvt. Ltd.

Address: 123 Tech Street, Bangalore, Karnataka, India

State: Karnataka

Country:India

PIN Code: 560001

GSTIN: 29ABCDE1234F1Z5

Units of Measure for Stock Items

1. Unit: Nos (Numbers)
2. Unit: Box (each box contains 10 items)

Parties and their GSTIN

1. Party Name: Tech Distributors Pvt. Ltd.
 - Address: Mumbai, Maharashtra
 - GSTIN: 27ABCDE5678G1Z2
2. Party Name: Gadget Supplies Ltd.
 - Address: Chennai, Tamil Nadu
 - GSTIN: 33ABCDE9012H1Z3
3. Party Name: Local Retailer
 - Address: Bangalore, Karnataka
 - GSTIN: 29FGHIJ1234K1Z6
4. Party Name: Quick Mart
 - Address: Hyderabad, Telangana
 - GSTIN: 36ABCDE3456L1Z7

5. Party Name: City Electronics

- Address: Bangalore, Karnataka

- GSTIN: 29LMNOP7890M1Z8

Stock Items (Electronic Gadgets)

1. Stock Item 1: Smart TV (Units: Nos)

2. Stock Item 2: Laptop (Units: Nos)

3. Stock Item 3: Smartphone (Units: Nos)

4. Stock Item 4: Tablet (Units: Nos)

5. Stock Item 5: Bluetooth Speaker (Units: Nos)

6. Stock Item 6: Wireless Headphones (Units: Nos)

7. Stock Item 7: Gaming Console (Units: Nos)

8. Stock Item 8: Smartwatch (Units: Nos)

9. Stock Item 9: Digital Camera (Units: Nos)

10. Stock Item 10: Home Theater System (Units: Nos)

Transactions:

Transaction 1: Purchase (Inter-State) from Tech Distributors Pvt. Ltd.

Date: 01-Jun-2024

Items Purchased:

1. Smart TV - 10 Nos @ ₹30,000 each

2. Laptop - 5 Nos @ ₹50,000 each

3. Smartphone - 20 Nos @ ₹20,000 each

4. Tablet - 15 Nos @ ₹15,000 each

- Total: ₹11,75,000

GST:

- IGST @ 18%: ₹2,11,500

- Total Invoice Amount: ₹13,86,500

Transaction 2: Sale (Intra-State) to Local Retailer

Date: 02-Jun-2024

Items Sold:

1. Bluetooth Speaker - 30 Nos @ ₹2,000 each

2. Wireless Headphones - 20 Nos @ ₹3,000 each

3. Gaming Console - 5 Nos @ ₹25,000 each

4. Smartwatch - 10 Nos @ ₹10,000 each

Total Amount: ₹3,45,000

GST:

- CGST @ 9%: ₹31,050

- SGST @ 9%: ₹31,050

- Total Invoice Amount: ₹4,07,100

Transaction 3: Purchase (Inter-State) from Gadget Supplies Ltd.

Date: 01-Jul-2024

Items Purchased:

1. Digital Camera - 8 Nos @ ₹35,000 each

2. Home Theater System - 5 Nos @ ₹40,000 each

3. Laptop - 10 Nos @ ₹50,000 each

4. Smartphone - 10 Nos @ ₹20,000 each

Total Amount: ₹11,80,000

GST:

- IGST @ 18%: ₹2,12,400

- Total Invoice Amount: ₹13,92,400

Transaction 4: Sale (Inter-State) to Quick Mart

Date: 31-Jul-2024

Items Sold:

1. Smart TV - 5 Nos @ ₹30,000 each

2. Tablet - 10 Nos @ ₹15,000 each

3. Wireless Headphones - 10 Nos @ ₹3,000 each

4. Smartwatch - 5 Nos @ ₹10,000 each

Total Amount: ₹3,80,000

GST:

- IGST @ 18%: ₹68,400

- Total Invoice Amount: ₹4,48,400

Transaction 5: Sale (Intra-State) to City Electronics

Date: -02 -Aug-2024

Items Sold:

1. Digital Camera - 4 Nos @ ₹35,000 each

2. Home Theater System - 2 Nos @ ₹40,000 each

3. Gaming Console - 3 Nos @ ₹25,000 each

4. Bluetooth Speaker - 10 Nos @ ₹2,000 each

Total Amount: ₹3,15,000

GST:

- CGST @ 9%: ₹28,350

- SGST @ 9%: ₹28,350

- Total Invoice Amount: ₹3,71,700

19.14 Keywords:

1. Gateway of Tally: Access all functionalities and reports from the Gateway of Tally.
2. Report: Select the specific report you need (e.g., Balance Sheet, Profit & Loss).
3. Period: Define the reporting period (e.g., current month, year-to-date).
4. Export: Export reports to various formats for further analysis or sharing.

19.15 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

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Lesson - 20

GODOWN CREATION

Objective:

1. Purpose of Godowns: Explain the purpose of creating godowns for inventory management.
2. Creation Process: Detail the steps to create and configure godowns in Tally Prime.
3. Godown Types: Identify different types of godowns and their specific uses.
4. Inventory Allocation: Discuss how to allocate inventory to different godowns for better tracking and management.
5. Reporting and Analysis: Explain how to generate reports related to godown inventory and analyze the data for business decisions.

Structure:

- 20.1 Manage Inventory Storage Using Godowns/Locations in Tally Prime
- 20.2 Problems on Godown Creation
- 20.3 Keywords
- 20.4 Reference

20.1 Manage Inventory Storage Using Godowns/Locations in TallyPrime

In our business, we may be managing the inventory in multiple physical locations, such as shops, warehouses, bins, racks, cabinets, and so on. In this case, we can use the Godowns/Locations capability of TallyPrime. Using godowns will help we keep a record of inventory moving from one project or manufacturing stage to another. Similarly, we can also track the stock moving in and out of our business premises for consignment sales or job work. We can view stock reports for each godown and account for the movement of stock between godowns.

A. Create Godowns/Locations:

To start allocating our stock items in godowns, we need to create a godown first.

1. Gateway of Tally > Create > select Godowns> press Enter.

Alternatively. Alt+G (Go To) > Create Master > type or select Godowns> press Enter.

When we create a Godown/Location in TallyPrime for the first time, we are prompted to alter the existing internal godown (Main Location), where all our inventory is stored by default.

2. Name & alias: As in other masters, we can specify multiple aliases for the godown name.

3. Under: Select Primary or Main Location.

Godown Creation

Name : **Guntur Godown**
(alias) :

Under : ♦ **Primary**

Accept ?

Yes or No

B. Create Multiple Godowns/Locations:

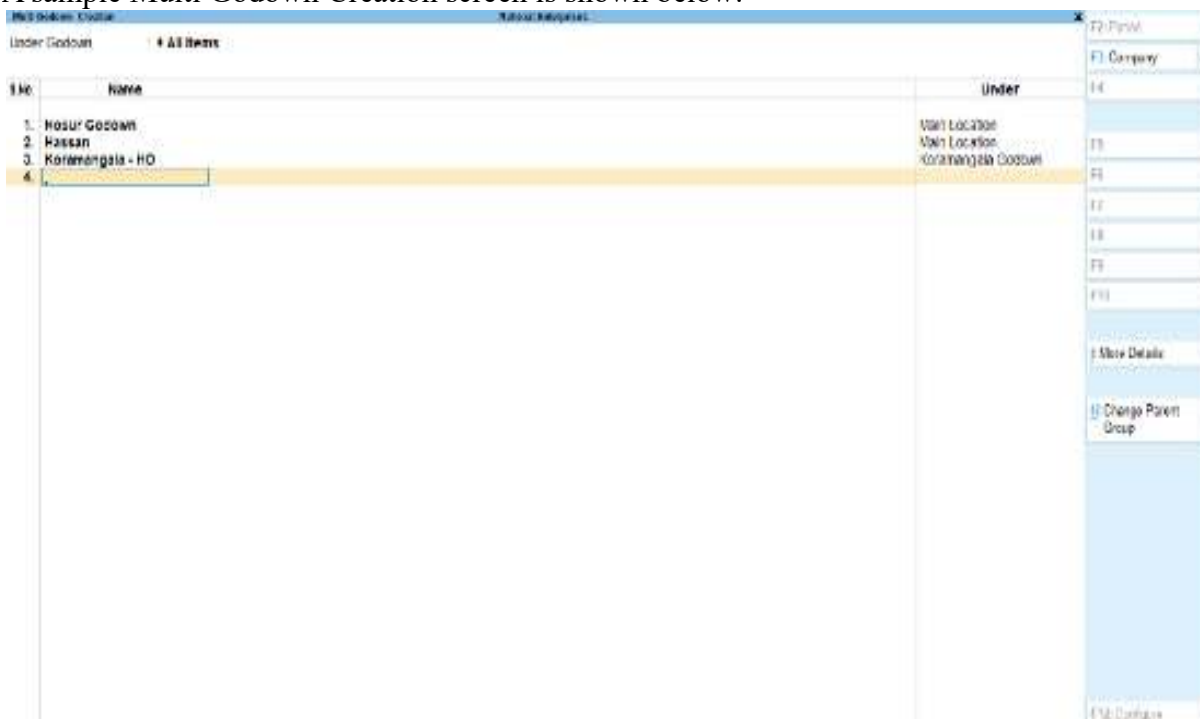
If we have stored our inventory in more than one location, in TallyPrime we can choose to create godowns one by one, or create multiple godowns from a single screen. We can choose the parent godown from the same screen when creating multiple godowns.

1. Gateway of Tally Create type or select Chart of Accounts.
2. In the Chart of Accounts screen, press Alt+H (Multi-Masters) > and select Multi Create

3. Under Godown:

- If we select Under Godown > All Items, we will be prompted to select the parent godown for each godown name that we specify under the Name column.
- If we select any other godown, say Under Godown > Main Location, this godown is treated the parent godown for all the godowns we create. However, we can change the hierarchy anytime later to suit our business preferences.

A sample Multi Godown Creation screen is shown below:



C. Allocate Stock Items to Godowns/Locations:

Once we have created the required locations, we can allocate our stock items to one or more locations.

1. Open the Stock Item Allocation screen.
2. To allocate the opening balance of our stock, in the Stock Item Alteration screen, select Opening Balance and press Enter.
3. To allocate stock items during voucher entry, in the Voucher Creation screen, select the stock item and press Enter.
4. In the Stock Item Allocation screen, provide the Quantity if UoM is defined for the item; otherwise, provide the Amount. A sample Stock Item Allocation screen is as shown.

Item Allocations for : Bajaj WX 3 Wet Grinder				
Godown	Quantity		Rate per Disc %	Amount
	Actual	Billed		
Whitefield East- Godown	20 Pcs	20 Pcs	3,917.00 Pcs	78,340.00
Koramangala - HO	100 Pcs	100 Pcs	3,917.00 Pcs	3,91,700.00
Koramangala Godown	26 Pcs	26 Pcs	3,917.00 Pcs	1,01,842.00

The quantities and amount entered in the allocations screen are consolidated and displayed in the voucher. The Opening Balance Quantity or Value specified in the stock item must be completely allocated among the selected locations.

20.2 Problem No:01

Step No 1: Create a Company with all Details

Company Name: Satyam Electronics ,Address: Shop No:1, SP Road, Bangalore,
State: Karnataka, Pin Code: 560056, Financial Year From : 01-04-2019
Books Beginning from: 01-04-2019

Step No: 2 : Enable GST Details

Go to F11 – F3 (Statutory Features)

Enable Goods & Services Tax : Yes, Set/Alter GST Details : Yes

State : Karnataka, Registration Type: Regular

Assessee of other Territory: NO, GSTIN :29AAACP7879D1Z0

Applicable from : 01-04-2019, Periodicity of GSTR1: Monthly

e-Way Bill Applicable: Yes, e-Way Bill Applicable from :01-04-2019

e- Way Bill Threshold :50000, Threshold Limit Includes: Invoice Values

e-Way Bill Applicable for Intra State :Yes

Remaining All Fields are set as “NO”

Step No 3: Stock Group Creation

Gateway of Tally >>>>Inventroy Info >> Stock Group>> Create then Press Enter

Name	Under	Should Quantities of be added	Set/Alter Gst Details	
Hardware	Primary	Yes	Yes	Description: Hardware Hsn Code:8473 Is Non GSTGoods:NO Taxability :Taxable Tax Rate:18%
CPU	Hardware	Yes	No	Not Applicable
Monitor	Hardware	Yes	No	Not Applicable
Printer	Primary	Yes	No	Description: Printer, HSN Code: 8473, Taxability: Taxable, Tax Rate :18%
Tonner &Cartdiges	Printer	Yes	No	Not Applicable

Step No 4: Units of Measure Creation

Gateway of Tally>>> Inventory Info >>> Units of Measure >> Create and then Enter

Type	Symbol	Formal Name	Unit Qty Code	Number of Decimal Places
Simple	Nos	Numbers	Nos	0

Step No 5: Stock Category Creation:

To Enable Stock Category go to F11 – Inventory Features (F2) and Set to Yes “ Enable Stock Categories :Yes

Gateway of Tally >> Inventory Info >> Stock Category>> Create Then Enter

Name	Under
Canon	Primary
HP	Primary
Intel	Primary

Step No 6: Stock Item Creation

1.Name:18”HPT3A, Under: Monitor, Category :HP, Units : Nos , GstApplicable:Yes, Set/Alter Gst Details :No, Type of Supply : Goods, Rate of duty:0
Opening Qty : 10 Nos Rate per Unit: 9699 , Value : 96990

2.Name: Cannon PG 47, Under: Tonner&Catriges, Category: Canon, Units: Nos Gst Applicable: Applicable, Set/ Alter Gst Details: No, Type of Supply: Goods, Rate of duty :0
Opening Qty: 10 Nos, Rate Per Unit :1850 , Value :18500

3.Name : Intel Core 650 Elite, Under: CPU, Category : Intel, Unit:Nos, Gst details : Applicable, Set/Alter GstDetails:No, Type of Supply : Goods, Rate of Duty : 0
Opening Qty: 10 Nos, Rate Per Unit : 18499, Value: 184990

Step No:7, Accounting Ledger Creation

Ledger Name	Under Group	Inventory Values	Gst Details	Opening Balance
Capital	Capital	No	No	30,00,000
HDFC Bank	Bank Accounts	No	No	29,50,000
Amar Electronics	Sundry Creditors	No	Yes	3,00,480
Akbar Electronics	Sundry Debtors	No	Yes	Nil
Cash A/c	Cash In Hand	NO	No	50,000
Conveyance	Indirect Expenses	No	No	Nil
CGST	Duties & Taxes	NO	Yes	Nil
SGST	Duties & Taxes	No	Yes	Nil
IGST	Duties & Taxes	No	Yes	Nil
Purchases	Purchases a/c	Yes	Yes –no-Goods	Nil
Sales	Sales	Yes	Yes-NO-Goods	Nil
Vinay Electronics	Sundry Debtor	No	Yes	Nil

Step No 8: Accounting Entries

1.The following items purchase on Credit from Amar Electronics, vide Bill no:009, from Bangalore (within the State)

Intelcore Elite 650	10 Nos	30000 each	3,00,000
18”HPT3A	10 Nos	13,500 Each	1,35,000
Canon PG 47	10 Nos	5,000 Each	50,000

And GstExtra , CGST and SGST

2.Credit Sales the following item on Credit to Vinay Electronics , Bangalore

10Intel Core 650Elite	5 Nos	35,000 Each	1,75,000
18HPT3A	5 Nos	15,500 Each	77,500
Canon PG 47	5 nos	7,000 Each	35,000

And GST Extra that is CGST and SGST

3. The following Items Sold On Credit to Akbar Electronics, Hyderabd, Telangana

Intel Core 650 Elite	2 nos	37,000 each	74,000
18” HPT3A	2 nos	17,500 Each	35,000
Canon PG 47	2 nos	8,500 each	17,000

And GST Extra, That is IGST.

Problem No: 02

M/s.Sandhya Traders is a Vijayawada based Trading Company and owned by Mr.Ramlal. The firm is Registered office address is D.No:65-5-54, Canal Road, Near Vinayaka Temple, One Town, Vijayawada-520001, Andhra Pradesh, India . Contact Details are 9966223377 and Email Id:sandhyatraders@gmail.com

Nature of Business

It is a Trading Company and Purchase of Fertilisers and Pesticides as well as Sale of Fertilisers and Pesticides to the Retailers and End Users.

The Firm Registered as a Regular GST Dealer and Deals with B2B and B2C Transactions

Note: It is an Existing Business Organisation and they have purchased Tally.ERP9 Software

As a Tally Professional you can implement the following Business Transactions in Tally Software and Trace out the Various Reports.

Company Creation

Name	M/s.Sandhya Traders
Address	D.NO:65-5-54, Canal Road, Near Vinayaka Temple, One Town
City	Vijayawada
Pin Code	520 001 finanaicail 1-4-2019
State	Andhra Pradesh
Country	India
Email ID	Sandhyatraders@gmail.com
Web Site	www.sandhyatraders.com

GST Registration Details

State	Andhra Pradesh
GSTIN/UIN	37AACCI9455L1ZZ
Registration Type	Regular
Peridiocity of GSTR1	Monthly
E-Way Bill Applicable	Yes

Stock Item Creation Detials

Item Name	Stock Group	Units of Measure	GST Rate(%)	HSN Code	Opening Qty	Rate Per Unit
Spic Urea	Fertilisers	Kgs	12%	4545	1000Kgs	12/-
Nagarjuna Urea	Fertilisers	Kgs	12%	4545	5000 Kgs	10/-
Neem Powder	Fertilisers	Bgs	0%	3434	500 Bags	500/-
DAP	Fertilisers	Bgs	12%	4545	100 Bgs	400/-
17-17-17	Fertilisers	Bgs	12%	4545	Nil	0
Metacid-1ltr	Pesticides	Tns	5%	2211	100 Tins	600/-
Metacid- 1/2ltr	Pesticides	Tns	5%	2211	250 Tins	300/-

Satrajith-1000ml	Pesticides	Tns	5%	2211	110 Tins	760/-
Satrajith-250ml	Pesticides	Tns	5%	2211	Nil	0
Baviston- 5kg	Pesticides	Pkt	5%	2211	120 Pkts	230/-

Accounting Masters Creation

Name of the Ledger A/c	Under Group	-Opening Balance as on 01-04-2019
Capital A/c	Capital	20,44,989-00
Dena Bank a/c	Bank Accounts	3,45,000
Office Furniture	Fixed Assets	5,00,000
Motor Vehicle & Cars	Fixed Assets	4,50,000
Pre Paid Insurance	Current Assets	5,000
Cash	Cash-In-Hand	4,56,789
State Bank of India FDs	Deposit (Assets)t	5,00,000
Employee Advances	Loans & Advances	1,20,000
Konark Fertilisers	Sundry Debtors Maintain Balances Bill by Bill= Yes, State : Telangana, Hyderabad Regular Dealer, GSTIN:36AKIPD0765H1ZS	Rs.4,50,000 1. Bill No:234, Rs.2,50,000, Credit Period:15 Days,Bill Date: 12-03-2019 2. Bill No:290, Rs.2,00,000, Credit Period: 20 Days, Bill Date:23-03-2019
Jaya Pradha Chemicals	Sundry Debtors, Maintain Balances Bill By Bill- Yes, State: Andhra Pradesh, Vijayawada. Regular Dealer, GSTIN:37AKIDP07651ZZ	Rs.2,00,000/- 1. Bill No:JP/020, Rs.85,000, Credit Period: 45 Days, Bill Date:25-03-2019 2. Bill No:JP/045, Rs.1,15,000, Credit Period:30 Days, Bill Date:27-03-2019
M/s.CoramandalFertilisers	Sundry Creditors, Maintain Balance Bill By Bill= Yes, State: Tamilnadu, Regular Dealer, GSTIN:23AKIDIP0675U1ZY	Rs.2,30,000 1. Bill No:CFL/0029/19-20, Credit Period:30 Days, Bill Date:10-02-2019
M/s. NFCL Ltd	Sundry Creditors, Maintain Balances Bill By Bill = Yes, State: Andhra Pradesh, Kakinada,Regular Dealer,	Rs:6,60,000, 1. Bill No:403, Credit Period :45 Days, Bill Date:13-03-2019

	GSTIN:37APKID0675T1ZR	
Salary Payables	Provisions	4,90,000-00
Mr.Ajay Loan	Un Secured Loans	2,00,000
Purchases	Purchases Accounts	Inv: Yes, GST Applicable=Yes
Sales	Sales Accounts	Inv:Yes, GST Applicable =Yes
CGST	Duties & Taxes	GST Tax Type: Central
SGST	Duties & Taxes	GST Tax Type: State
IGST	Duties & Taxes	GST Tax Type :Intigrated
Salaries	Indirect Expenses	GST = Not Applicable

Business Transactions

On 1st April, 2019: The following goods Purchased from M/s. CoramandalFertilisers, Chennai Tamilnadu, via Invoice No:495 (Purchases)

Item Name	Qty	Rate Per Unit
Spic Urea	1000 Kgs	12.00
Nagarjuna Urea	2500 Kgs	16.50
DAP	1000 Bgs	340.00

And Plus GST Taxes Extra

On 2nd April, 2019: The Following Goods Purchased on Credit from M/s.NFCL Ltd, Kakinada, Via Invoice No:302.(INTRA state)

Item Name	Qty	Rate Per Unit
Metacid -1ltr	200 Tins	650.00
Metacide-1/2ltr	250 Tins	280.00
Satrajit-1000ml	300 Tins	860.00

Plus GST Taxes

On 4th April, 2019: The Following Material sold for Cash (B2C Transactions) to the Consumer, Vijayawada

Item Name	Qty	Rate Per Unit
Bavistin – 5kg	50 pKT	400.00
17-17-17	10 Bags	370.00

Plus GST Taxes

On 5th April, 2019: The following Material sold on Credit to Jayapradha Fertilisers, Vijayawada(b2b)

Item Name	Qty	Rate Per Unit
DAP	100 Bags	280.00
Spic Urea	120 Kgs	20.00
Metacid-1ltr7	20 Tins	750.00
Satrajith-1ltr	20 Tins	500.00
Bavistin-5kg	45 Pkts	400.00

Plus GST Taxes Extra

On 10th April,2019: The Following Materials Sold on Credit to Konark Enterprises, Hyderabad,(b2B)

Item Name	Qty	Rate Per Unit
Nagarjuna Urea	500 Kgs	10.00
Spic Urea	400 Kgs	13.00
DAP	40 Bags	400.00
Satrajith-250ML	20 Tins	345.00

GST Taxes Extra

On 15th April, 2019: The following goods sold for cash to the Ramesh Agencies, he is an Un Registered Dealer, Vijayawada(b2 C)

Item Name	Qty	Rate Per Unit
Metacid-1/2 Ltr	30 Tins	300.00
Baviston-5kg	5 Pkts	450.00
DAP	10 Bags	500.00

Plus GST Taxes Extra

Problem No: 03

Company Details

Company Name	Mitra Auto Traders
Address	Door No:292-2-2 Governerpet Vijayawada
State	Andhra Pradesh
Pin Code	520002
Financial Year from	01-04-2018
Books Beginning from	01-01-2019

GST Details of the Company

State	Andhra Pradesh
GSTIN	37AACCI9455L1ZZ
Registration Type	Regular
Applicability	01-01-2019
Peridocity of GSTR1	Monthly
e-Way Bill Appilcable	Yes

GST Rates are applicable for the inventory details is given below

Description	HSN Code	GST Tax Rate
Parts & Accessories of Motor Vehicles and Cars	8708	28%

Accounting Masters Details given below

Accounting Ledger	Accounting Group	Oeopening Balance Details
Capital A/c	Capital	20,00,000 Cr
HDFC Bank a/cBA	Bank Accounts	19,50,000 Dr

Cash	Cash-In-Hand	50,000 Dr
Bhasin Distrubutors 37AKIPD0765H1ZZ	Sundry Creditors	2,17,000 Cr (Bill Refence; 3283, 31-12-2018 Credit days 30

Inventory Masters given as below

Stock Item	Stock Main Group/Stock Sub Group	Stock Category	UOM	Qty	Rate	Value
Pulsor Clutch Plate	Stock Main Group : Auto Parts Stock Sub Group: Clutch Plates	Bajaj	Nos	300	350	1,05,000
Seeck Brake Shoe	Stock Main Group: Auto Parts , Stock Sub Group: Break Shoe	Seeko	Nos	200	160	32,000
Lumax Head Lamps	Stock Main Group: Auto Parts Stock Sub Group: Head Lamps	Lumax	Nos	200	400	80,000

Accounting Ledger Creations

Name of the Ledger	Under Account Group
Purchases A/c	Purchases
Input CGST	Current Assets
Input SGST	Current Assets
Input IGST	Current Assets
Sales	Sales
Purchases	Purchahses
Output CGST	Duties & Taxes
Output SGST	Duties & Taxes
Output IGST	Duties & Taxes

Note: To Enable GST Tax Detials for the Group of Current Assests , Goto F12(Configuration) While in the ledger Creation Screen and Enble the Option “ Set ledger to behave as duties & Taxes ” Yes

Record the Following Transactions in Mitra Auto Traders

On1st January, 2019: Mitra Traders Purchase the following item from Bashin Traders

Vijayawada vide invoice Number: 188, GST is Charges 28% (CGST 14% and SGST 14%)

Sr.No	Item Name	Quantity	Rate	Amount
1	Pulsor Clutch Plate	100	350	35,000
2	SeekoBreak Shoe	100	160	16,000
3	Lumax Head Lamps	100	400	40,000

GST Tax Extra

On 5th January,2019, Mitra Traders Sold the given items to Bhatia Auto Traders, Vijayawada, Bill NO:001 and GST Tax 28% Charged on the Prices Extra (CGST 14% and SGST 14%)

GSTIN : 37AKIPD0765H1ZS

Sr.No	Item Name	Quantity	Rate	Amount
1	Plusor Clutch Plates	150	450	67,500

2	SeekoBreak Shoe	100	220	22,000
3	Lumax Head Lamps	50	480	24,000

E-Way Bill Details:

e-Way Bill NO:801002725391

Distance in Kms :10Kms , Number:AP16BY4552, Vehicle Type: Regular, Date:05-01-2019

On 10thJanuary 2019: Mitra Auto Traders sold the items to Singh Traders Hyderabad –

Telangana State the following, (Calculate Tax IGST for the below Transaction)

Sr No	Item Name	Quantity	Rate	Amount
1	Plusor Clutch Plates	100	450	45,000
2	SeekoBreak Shoe	150	220	33,000
3	Lumax Head Lamps	150	480	72,000

E-Way Bill Details: e-Way Bill No:180292918212, Distance :280Kms Date: 10-01-2019,

Vehicle Type: Regular, Vehicle No: AP16 45 3938

20.3 Keywords:

1. Storage Facility Design: Efficient layout, accessibility, and safety.
2. Inventory Management: Optimal organization, tracking, and retrieval systems.
3. Construction Materials: Durability, cost-effectiveness, and compliance with standards.
4. Security Measures: Surveillance, restricted access, and fire protection systems.

20.4 Reference:

1. "Tally Prime: A Complete Guide" by Dr. R. P. Rustagi and Ashok K. Nadhani
2. "Tally Prime with GST: Hands-on Practice" by Asok K. Nadhani

B. Rama Rao