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DAY - 1**LEARNING OBJECTIVES**

- History of tally
- Opening Tally ERP9
- Company creation, alteration and deletion
- Ledger creation (single and multiple mode), alteration and deletion

Introduction to Tally

Tally Solutions Ltd. Co. is the founder of Accounting Software named Tally. The first time this Tally software is made by Sri. S.S. Goenka in 1986, Founder of the Company Peutronics Pvt. Ltd. which becomes Tally Solution company later.

History of Tally

Tally Software traveled very long way to get its present position. First time tally launched tally 4.5, after this tally 5.4, then Tally 6.3, then tally 7.2, after this tally 8.1 and now Tally is working at tally 9. Sri S.S. Goenka's Son Sri Bharat is operating this business of tally software. Tally solution company is situated at Hosur Road, Bangalore.

More important thing is that tally software is using in more than 100 countries and it is included all advance tools for making vouchers, financial statements, tax treatments of companies and more over now ERP is also included in Tally ERP package.

Manual Accounting vs. Computerised Accounting

From the accounting theory it is known that accounting cycle includes the following steps: journalizing the transactions, posting them to ledger accounts, preparing trial balance, making adjustment entries, preparing adjusted to end-of-period trial balance, preparing financial statements and appropriate disclosures, journalizing and posting the closing entries, and preparing after-closing trial balance at last. From the first look it is not very difficult and it is so indeed, but when there are thousands or millions of transactions the situation dramatically changes. Lots of transactions that must be processed in the accounting cycle make this process routine and even a little mistake or inaccuracy can cause all the cycle from the very beginning in order to find and correct the mistake. So as to shed some light on the matter let's examine accounting cycle more thoroughly.

Computerized accounting implies that the only thing that employees do is recording transactions into the computer which processes the other steps of accounting cycle automatically or by a request. But this is a very simplified view on the computerized accounting because transaction is a complex category which includes not only sales or acquisitions, but depreciation, premiums and wages calculation, dividends etc. So computers provide accurate calculations and smart reports but it takes much time, resources and effort too and it's difficult to assess which accounting type is more fast and economic. If manual accounting requires qualified accountants to keep a record of business transactions, computerized requires accountants which can use specific software and thus they cost more. Computer software calculates faster but it does not know what you need until you can clearly explain what exactly you need.

Among the advantages of manual accounting there are: comparatively cheap workforce and resources, reliability, independence from machines, skilled workers availability; the disadvantages include: reduced speed, increased effort of accountants, relatively slower internal control reporting, routine work and some others.

Among the main advantages of computerized accounting there are: high speed and mobility of reporting, reliability, no routine work, increased accuracy, internal control system of increased productivity, easy back up and restoration of records; the disadvantages include: extremely high costs on developing, introducing and using the system, special trainings for personnel, increased personnel costs, dependence on machines etc.

Tally is a wonderful accounting software that handles the day to day operations of a business unit effectively. It has got good reputation in the field of business. A businessman wants an accounting software which can be handled easily. Tally is based on this desire of businessman. From a small sole trading business to large scale multinational companies' accounts can easily keep in tally data base. There is no difficulty in operating Tally. It uses 3 fundamental method for recording:



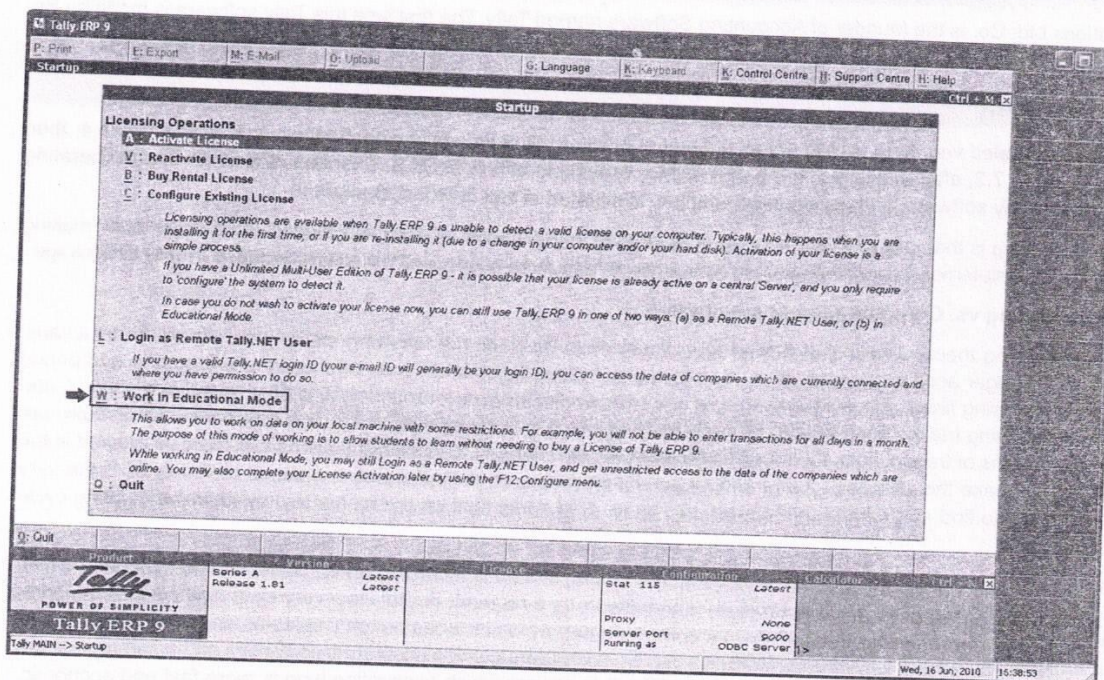
- ❖ 1st Method is to record different companies' creation, display and alteration.
- ❖ 2nd Method is to record all ledger accounts viz create, display and alter under different head or master accounts.
- ❖ 3rd Method is to record all voucher entries.

Opening Tally.ERP 9

On successful installation of Tally.ERP 9, a shortcut is placed on the desktop, a folder titled Tally.ERP 9 is created in the selected drive and all the files required to run Tally.ERP 9 are stored in this default folder.

Step to open Tally.ERP 9:

- 1) You can open tally by clicking on the **Tally.ERP 9** icon on desktop to display **Licensing Operations Startup** screen.

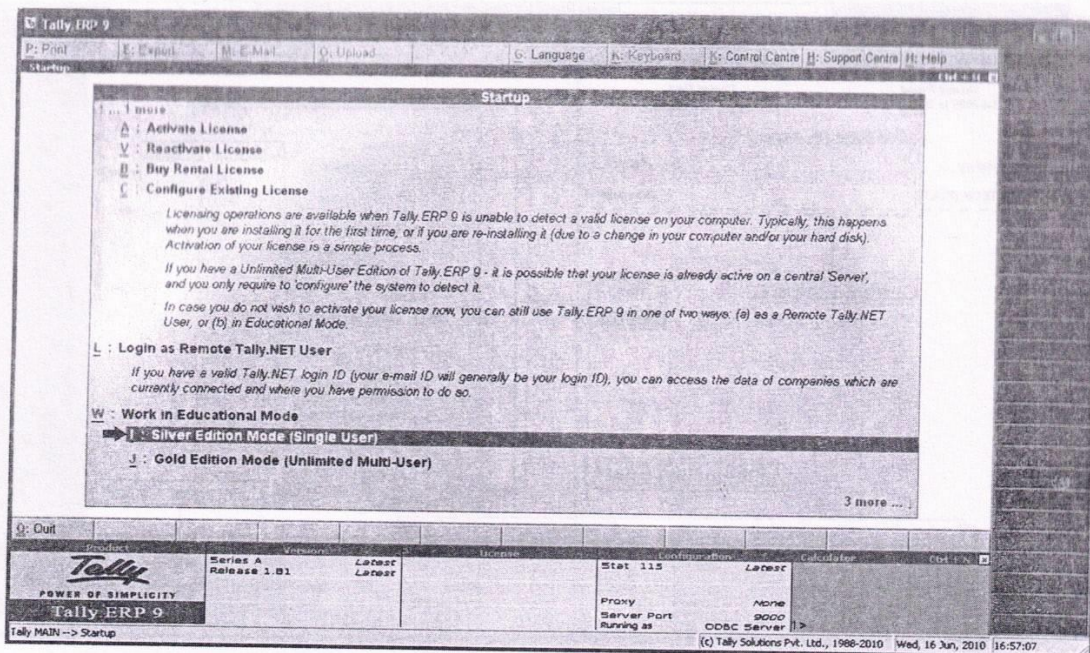


- 2) Proceed by choosing 'Work in Educational Mode' option or press **ALT+W**.

Note:

We are using **Work in Educational Mode** for this book.

If you have purchased a registered version of tally type the serial number, activation key (you will find it in the pack) and email address on the respective fields. Your copy will get registered online. If you are not online there is also option to register offline.

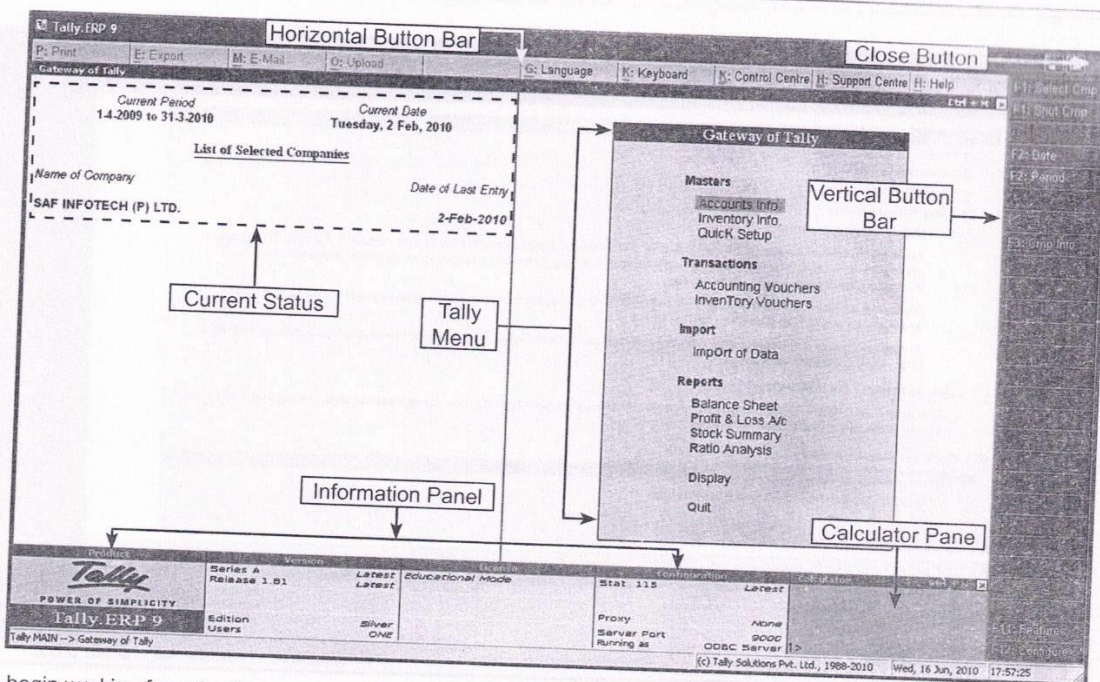


- 3) Choose and enter **Silver Edition Mode** (or press **ALT+I**) to proceed.

Note:

You will be using educational version of Tally.ERP 9 and on every occasion you load tally, it will ask for the Licensing Operations. The limitation of educational version is that you can enter date 1, 2 & 31st of any month only and you will not get the Multi Printing Menu.

- 4) Finally it displays the **Gateway of Tally** with Default Company loaded. You can see the screen below which is showing '**SAF INFOTECH (P) LTD.**' as the current company along with financial period, current date and last date of entry in the left hand side of the window.



You begin working from the Gateway of Tally screen, the control center of Tally. So, we first make you familiar with the various components and aspects of Gateway of Tally.

The Gateway of Tally screen contains 5 major areas:

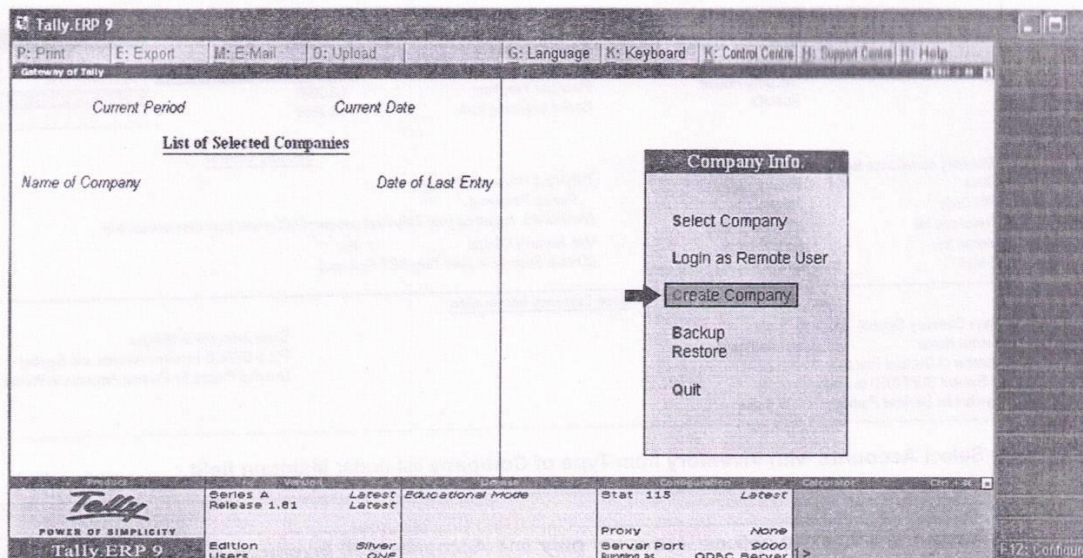
- ❖ **Horizontal Button Bar:** It contains buttons like Print, Export, E-mail, Language and etc.
- ❖ **Close Button:** The Close Button in the upper right corner functions similar to the use of Esc in Tally.ERP 9. It brings you to back to the Gateway of Tally.ERP 9 from any screen.
- ❖ **Current Status:** At the left pane, you get the information about current working, like Current Period, Current Date and Active Company.
- ❖ **Tally Menu:** At the right part of the Gateway screen, the Gateway of Tally appears showing the list of Menu Options. Select a Menu item to invoke a task. You may have to drill down several levels of Menu till you reach the menu option to invoke the desired task.
- ❖ **Information Panel:** At the left bottom part of Gateway of Tally screen, you get Software Name & Version (Like Tally.ERP 9), User Version, Serial number (or Educational when unregistered) and the version of the statutory file in use.
- ❖ **Calculator Pane:** The Calculator Pane allows you to perform an arithmetical calculation required by the user eliminating the need of an additional calculator at his desk. To activate the calculator, press Ctrl+N or click within the Calculator Pane where ever it is displayed.
- ❖ **Vertical Button Bar:** At the rightmost part of the Gateway, the Button Bar shows several buttons with Function key / Hot key, to provide quick and direct access to various options and tasks. Depending on various options set, some buttons may be inactive (the inactive buttons are dimmed).

Company Creation

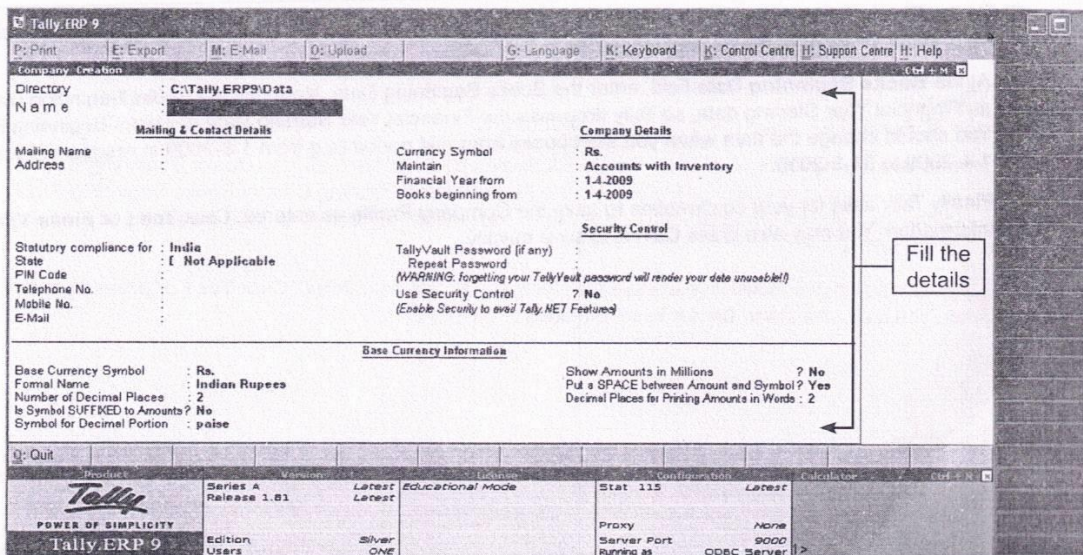
In Tally, the term Company represents any entity for which an independent set of accounts is maintained it may be a Company, Partnership Firm, H.U.F, Individual, NGO or even a Branch Office for which a set of Account is maintained.

Tally Company Creation:

- 1) Press **ALT+F1** key from Gateway of Tally to shut an existing company, if any.
- 2) The **Company Info** Menu appears.



- 3) Click **Create Company** to get Company Creation screen.

**Note:**

The first field is **Directory** where your cursor usually does not come. The field automatically shows the default data directory of the tally. You can change the location but it is not recommended. Tally will automatically create a folder with the serial number of the company.



- 4) Fill the details of company information like name of the company, company mailing name, address, email and etc.

Tally.ERP 9

P: Print E: Export M: E-Mail G: Language K: Keyboard K: Control Centre H: Support Centre H: Help Ctrl + M X

Company Creation

Directory : C:\Tally.ERP9\Data
Name : New India Traders

Mailing & Contact Details

Mailing Name : New India Traders
Address : 23-B, N.S.Road
Security House
Kolkata

Company Details

Currency Symbol : Rs.
Maintain : Accounts with Inventory
Financial Year from : 1-4-2009
Books beginning from : 1-4-2009

Type of Company

Accounts only
Accounts with Inventory

Statutory compliance for

State : India
PIN Code : West Bengal
700001
Telephone No. : 033 - 4000 6000
Mobile No. : 09831960010
E-Mail : newindia@hotmail.com

Security Control

TallyVault Password (if any) :
Repeat Password :
(WARNING: forgetting your TallyVault password will render your data unusable!)
Use Security Control ? No
(Enable Security to avail Tally.NET Features)

Base Currency Information

Base Currency Symbol : Rs.
Formal Name : Indian Rupees
Number of Decimal Places : 2
Is Symbol SUFFIXED to Amounts ? No
Symbol for Decimal Portion : paise

Show Amounts in Millions ? No
Put a SPACE between Amount and Symbol ? Yes
Decimal Places for Printing Amounts in Words : 2

- 5) Select **Accounts with Inventory** from **Type of Company** list under **Maintain** field.

Note:

The **Maintain** field has two options: **Accounts only** and **Accounts with Inventory**. If you do not want to maintain inventories or stock through tally, then choose the first option (Accounts Only) otherwise go for the second one (Accounts with Inventory).

- 6) At the **Financial Year From** field, enter the Beginning Date of Financial Year. If you follow April-March Financial year, enter **1st April** of the beginning year (e.g. 1-4-2009).
- 7) At the **Books Beginning Date** field, enter the Books Beginning Date. Normally the Books Beginning Date is same as Financial Year Starting date, so Tally proposes the Financial Year Starting Date at Books Beginning From field. You should change the date when you start books from mid period (e.g from 1-8-2009 in respect of Financial Year 1-4-2009 to 31-3-2010).
- 8) Finally Tally asks for your confirmation to save the Company Profile as entered. Click **Yes** (or **press Y**) to save the information. You may also press **Ctrl+A** to save quickly.

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Company Creation

Directory : C:\Tally.ERP9\Data
Name : **New India Traders**

Mailing & Contact Details

Mailing Name : **New India Traders**
Address : **23-B, N.S.Road
Security House
Kolkata**

Company Details

Currency Symbol : **Rs.**
Maintain : **Accounts with Inventory**
Financial Year from : **14.2009**
Books beginning from : **14.2009**

Security Control

Statutory compliance for : **India**
State : **West Bengal**
PIN Code : **700001**
Telephone No. : **033 - 4000 6000**
Mobile No. : **09831960010**
E-Mail : **newindia@hotmail.com**

TallyVault Password (if any) :
Repeat Password :
(WARNING: forgetting your TallyVault password will render your data unusable!)

Use Security Control : **? No**
(Enable Security to avail Tally.NET Features)

Base Currency Information

Base Currency Symbol : **Rs.**
Formal Name : **Indian Rupees**
Number of Decimal Places : **2**
Is Symbol SUFFIXED to Amounts ? **No**
Symbol for Decimal Portion : **paise**

Show Amounts in Millions : **? No**
Put a SPACE between Amount and Symbol : **? No**
Decimal Places for Printing Amounts in Voucher : **? No**

Accept ?
Yes or No

- 9) The new company created is auto selected and Gateway of Tally appears. Name of the Company is now displayed under List of Selected Companies.

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Gateway of Tally

Current Period : **14.2009 to 31.3.2010**
Current Date : **Wednesday, 1 Apr, 2009**

List of Selected Companies

Name of Company	Date of Last Entry
New India Traders	No Vouchers Entered

Gateway of Tally

Masters

- Accounts Info
- Inventory Info
- Quick Setup

Transactions

- Accounting Vouchers
- Inventory Vouchers

Import

- Import of Data

Reports

- Balance Sheet
- Profit & Loss A/c
- Stock Summary
- Ratio Analysis
- Display
- Quit

Product

Product	Version	Latest	Educational Mode	Stat 115	Latest
Tally	Series A	Release 1.01	Latest	Stat 115	Latest

Tally.ERP 9

POWER OF SIMPLICITY

Edition : **Users**
Silver
ONE

Proxy : **None**
Server Port : **9000**
Running as : **COEC Server**

Tally MAIN -> Gateway of Tally

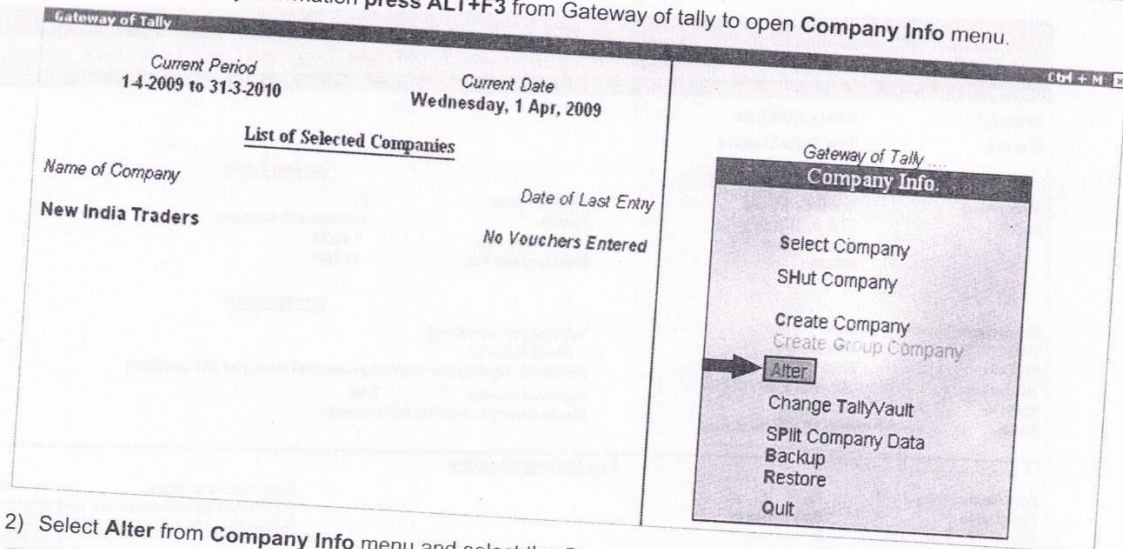
(c) Tally Solutions Pvt. Ltd., 1988-2010 Thu, 17 Jun, 2010 13:41:03

Alteration of Company Profile

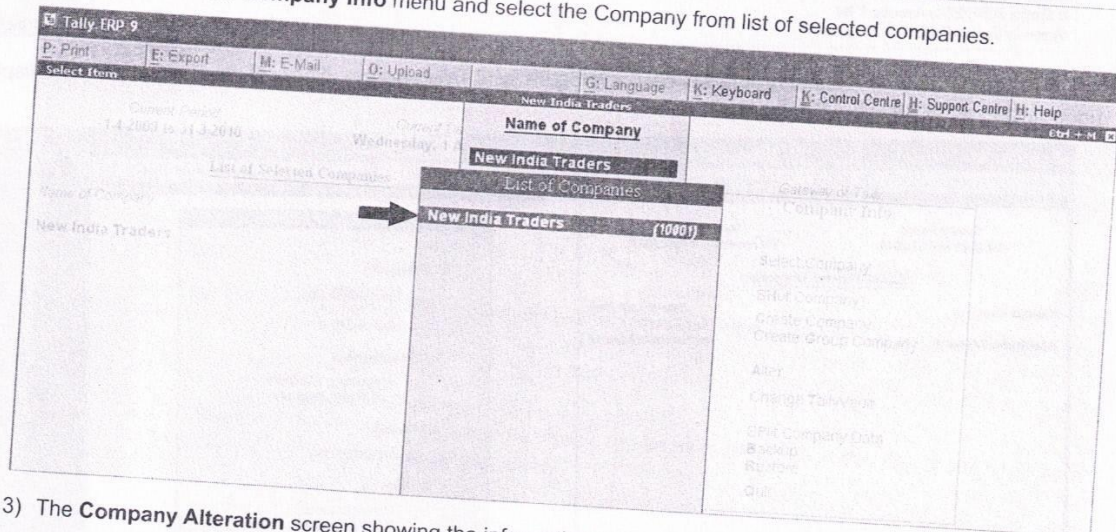
There may be some changes required in company information (like changing of address, email, etc.) and that must have to be updated. To update the changes you need to alter the company information.



- 1) To alter Company information press **ALT+F3** from Gateway of tally to open **Company Info** menu.



- 2) Select **Alter** from **Company Info** menu and select the Company from list of selected companies.



- 3) The **Company Alteration** screen showing the information entered in the Company Creation screen is displayed.
- 4) At Company Alteration screen, you may carry out necessary alteration or fill up any blank field left earlier. Go to the field which you want to change. Here we are changing the email address of the company from **newindia@hotmail.com** to **newindia@traders.com**.

Tally.ERP 9

P: Print E: Export M: E-Mail Q: Upload G: Language K: Keyboard K: Control Centre H: Help Ctrl + M X

Company Alteration

Name: **New India Traders**

Mailing & Contact Details

Mailing Name: **New India Traders**
 Address: **23-B, N.S.Road
Security House
Kolkata**

Company Details

Currency Symbol: **Rs.**
 Maintain: **Accounts with inventory**
 Financial Year from: **1-4-2009**
 Books beginning from: **1-4-2009**

Security Control

Statutory compliance for: **India**
 State: **West Bengal**
 PIN Code: **700001**
 Telephone No.: **033 - 4000 6000**
 Mobile No.: **09831960010**
 E-Mail: **newindia@traders.com**

Use Security Control: **? No**
 (Enable Security to avail Tally.NET Features)

Base Currency Information

Base Currency Symbol: **Rs.**
 Formal Name: **Indian Rupees**
 Number of Decimal Places: **2**
 Is Symbol SUFFixed to Amounts? **No**
 Symbol for Decimal Portion: **paise**

Show Amounts in Millions: **? No**
 Put a SPACE between Amount and Symbol: **? Yes**
 Decimal Places for Printing Amounts in Words: **2**

- 5) Press **Ctrl+A** to save company alteration screen and revert back to the **Select item** screen.
- 6) Keep pressing **Esc** key until you revert back to **Gateway of tally** screen.

Deletion of Company Profile

- 1) To delete a Company, press **Alt+D** at **Company Alteration** screen.

Tally.ERP 9

P: Print E: Export M: E-Mail Q: Upload G: Language K: Keyboard K: Control Centre H: Support Centre H: Help Ctrl + M X

Company Alteration

Name: **SAF INFOTECH (P) LTD.**

Mailing & Contact Details

Mailing Name: **SAF INFOTECH (P) LTD.**
 Address: **B/2A, Ekbalpore Lane
Kolkata**

Company Details

Currency Symbol: **Rs.**
 Maintain: **Accounts with inventory**
 Financial Year from: **1-4-2009**
 Books beginning from: **1-4-2009**

Security Control

Statutory compliance for: **India**
 State: **West Bengal**
 PIN Code: **700023**
 Telephone No.:
 Mobile No.:
 E-Mail: **saferinfo.com**

Use Security Control: **? No**
 (Enable Security to avail Tally.NET Features)

Delete ?
Yes or No

Base Currency Information

Base Currency Symbol: **Rs.**
 Formal Name: **Indian Rupees**
 Number of Decimal Places: **2**
 Is Symbol SUFFixed to Amounts? **No**
 Symbol for Decimal Portion: **paise**

Show Amounts in Millions: **? No**
 Put a SPACE between Amount and Symbol: **? Yes**
 Decimal Places for Printing Amounts in Words: **2**

- 2) A confirmation '**Delete ? Yes or No**' appears. Type **Y (Yes)** to confirm Deletion. The data files of the company are deleted.

Word of Caution:

You CANNOT get back a Deleted company. Therefore you should take Backup before Deletion of a Company.

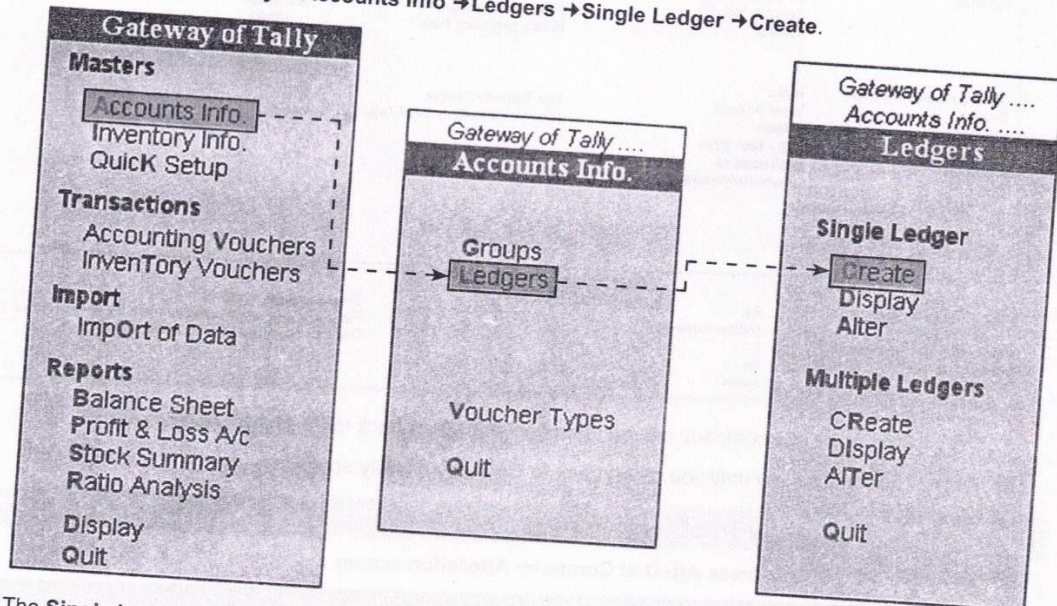


Single Ledger Creation

Tally automatically creates 2 ledgers, Cash (under Cash-in-Hand group) & Profit & Loss Account (Primary ledger). You have to create all other ledger accounts.

Steps to create a single ledger account:

- 1) Go to Gateway of Tally → Accounts Info → Ledgers → Single Ledger → Create.



- 2) The Single Ledger creation screen gets displayed. Fill the required field as follows:

Ledger Creation New India Traders

Name (alias) : Capital Leger Name

Opening Balance difference Total Op. Bal.

12,00,000.00 Cr	12,00,000.00 Cr
Difference	

Under : Capital Account Parent Group

Inventory values are affected? No

Name Address Mailing Details

State PIN Code Capital

PAN / IT No. Tax Information

Sales Tax No. Opening Balance

CST No.

Opening Balance (on 1-Apr-2009) : 12,00,000.00 Cr

Ctrl + M

List of Groups

- Bank Accounts
- Bank OCC A/c
- Bank OD A/c
- Branch / Divisions
- Capital Account**
- Cash-in-hand
- Current Assets
- Current Liabilities
- Deposits (Asset)
- Direct Expenses
- Direct Incomes
- Duties & Taxes
- Employee Expenses
- Expenses (Direct)
- Expenses (Indirect)
- Fixed Assets
- Income (Direct)
- Income (Indirect)
- Indirect Expenses
- Indirect Incomes
- Investments
- Loans & Advances (Asset)
- Secured Loans
- Stock-in-hand

- (a) **Name field:** At name field, enter a unique ledger name of the ledger.
 - (b) **Under field:** At under field, select the Parent group of the ledger from list of groups.
 - (c) **Opening Balance:** At opening balance field, enter ledger opening balance.
- 3) Press Enter key after putting the **opening balance** to bring the acceptance dialog box. You can either Press -Y- or Enter to accept. Like this way all the ledgers can be created under respective group.

Alias: This is a simple mechanism of identifying an account by another name.

Under: Select the group for the ledger. Selection of group should be made very carefully because all the reports depend on this. There are list of existing groups from where we can select the particular group for the ledger.

Inventory values are affected: Set this option Yes, if there is any effect over the stock value in respect of changes in the balance of this ledger. Normally the ledger under Purchase and Sale effects inventory. So for Capital A/C set this option No.

Mailing Details: The fields under this group accept address detail. Normally it is useful for the party ledgers. We need not mention any address detail for the Capital A/C.

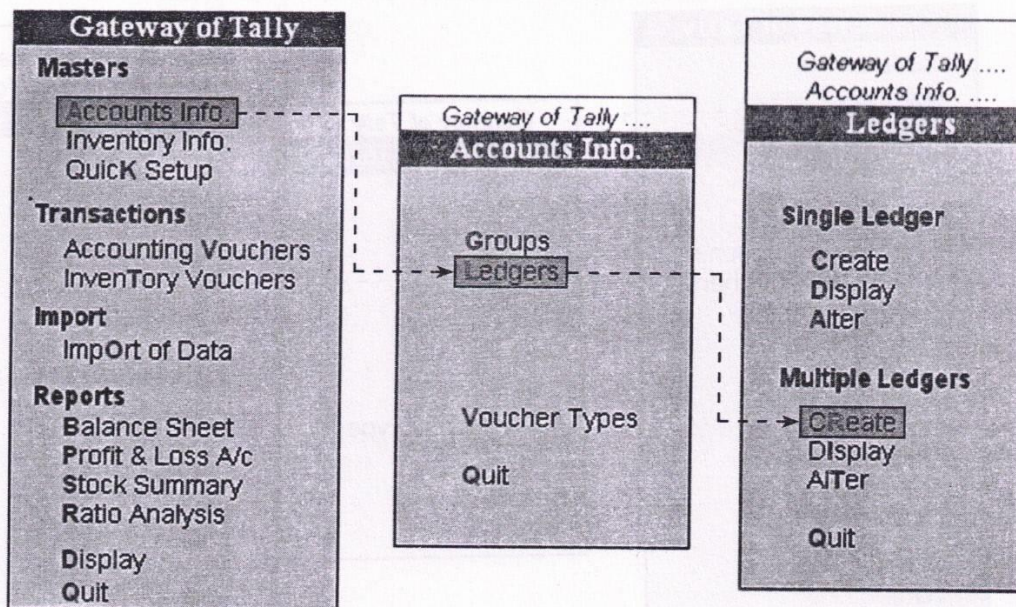
Tax Information: These fields are for the statutory information of the party. It is not applicable for the Capital A/C.

Multiple Ledger Creation

You can create multiple Ledgers at a time in this mode. This will save the time of the user. For example Bank ledgers or party ledger. In multiple ledger mode there is an option All Items that allows creating ledgers under any groups. Acceptance for the creation will be taken at the end of creation of all ledgers. So, one should be careful in saving the screen after creating all ledgers.

Steps to create a multiple ledger accounts:

- 1) Gateway of Tally → Accounts Info → Ledgers → Multiple Ledgers → Create.



- 2) The Multiple Ledger creation screen gets displayed. Fill the required field as follows:

Multi Ledger Creation			New India Traders		Ctrl + M
Under Group			■ All Items		
S.No.	Name of Ledger	Under	Opening Balance	Dr/Cr	
1.	D.K.Sharma	Sundry Debtors	35,000.00	Dr	
2.	Bharat Traders	Sundry Creditors	40,000.00	Cr	
3.	Axis	Bank Accounts	3,00,000.00	Dr	
4.	PNB	Bank Accounts	20,000.00	Dr	
5.	Loan From HDFC	Secured Loans	2,00,000.00	Cr	
					Accept ?
					Yes or No

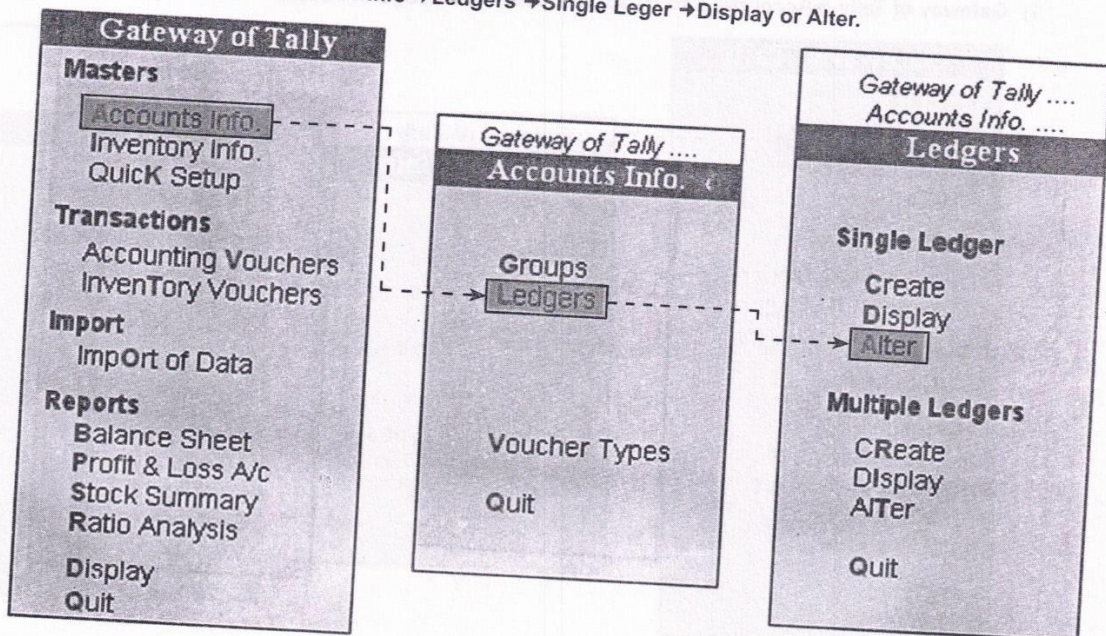
- (a) **Under Group:** Select All Items.
 (b) **Name of Ledger:** Enter the names of ledger here
 (c) **Under:** Select the appropriate group of the ledger from the list of groups.
 (d) **Opening Balance:** Enter ledger opening balance here
- 3) Press **enter** key to save the multiple ledger creation screen or press **Ctrl+A** for quick save.

Displaying / Altering a Ledger Account

Information under Display and Alter is the same. Display option does not permit any modification. Alter option permits you to modify the information.

Steps to display or alter a ledger account:

- 1) Gateway of Tally → Accounts Info → Ledgers → Single Ledger → Display or Alter.



- 2) Clicking **Alter** option display the list of ledger accounts.

Name of Ledger	
PNB	
List of Ledgers	
Axis	
Bharat Traders	
Capital	
Cash	
D.K.Sharma	
Loan From HDFC	
PNB	
Profit & Loss A/c	

- 3) Select the specific ledger (e.g. PNB ledger), you want to modify and press enter key to open ledger in alteration mode.

Ledger Alteration		New India Traders	
Name	: Standard Chartered		
(alias)	:		
		Total Op. Bal.	
		3,55,000.00 Dr	
		14,40,000.00 Cr	
		Difference	
		10,85,000.00 Cr	
Under	: Bank Accounts (Current Assets)	Mailing Details	
Effective Date for Reconciliation	? 1-Apr-2009	Name	: Standard Chartered
		Address	:
		State	: [Not Applicable
		PIN Code	:
		A/c No.	:
		Branch Name	:
		BSR Code	:
Opening Balance (on 1-Apr-2009) : 20,000.00 Dr		Accept ?	
		Yes or No	

- 4) Modify the ledger made as required (e.g. change the name as 'Standard Chartered' here).
- 5) Keep pressing enter key, until you save the ledger alteration screen (or press **Ctrl+A** for quick save).

Note:

Modification of ledgers is possible under Single Ledgers as well as Multiple Ledgers option. However under Multiple Ledgers, all the fields are not available for alteration.

Now create a ledger name '**Miscellaneous Expenses**' under Indirect Expenses group.

Deletion of Ledger Account

You can delete the ledger if no vouchers have been created under this ledger.

Steps to delete a ledger account:

- 1) Go to **Gateway of Tally → Accounts Info → Ledgers → Single Leger → Alter**.
- 2) Select the specific ledger (e.g. Miscellaneous Expenses ledger), you want to delete and press enter key to open ledger in alteration mode.
- 3) Now, press **Alt+D** to delete the ledger account.
- 4) Press '**Y**' or click '**Yes**' at '**Delete? Yes or No**', to confirm deletion.



Day 2

Class Exercise

1. Create a company by your name with 2010-11 financial years.
2. Create the following ledger accounts with mentioned groups

Sl no	Ledger name	Group name
1	Shareholder's capital	Capital
2	Capital Reserve	Reserve & Surplus
3	General Reserve	Reserve & Surplus
4	Superannuation Fund	Reserve & Surplus
5	Capital Redemption Reserve	Reserve & Surplus
6	Profit & Loss Account	** Ask Faculty
7	Loan from Directors	Unsecured Loan
8	Loan from A. Sarkar	Unsecured Loan
9	Loan from ICICI	Secured Loan
10	Loan from IDBI	Secured Loan
11	Bills payable	Current Liabilities
12	Land & Building	Fixed Assets
13	Plant & Machinery	Fixed Assets
14	Furniture & Fittings	Fixed Assets
15	Investment at Reliance	Investment
16	Investment at TMIL	Investment
17	Investment at ABC Finance	Investment
18	Main cash	**Ask faculty
19	Petty cash	Cash in hand
20	Bills receivable	Current assets
21	State bank of India (current a/c – 303665398)	Bank Accounts
22	Axis Bank (current a/c – 115026000156)	Bank Accounts
23	O/D at SBI	Bank O/D Account
24	Rent & Rates	Indirect Expenses
25	Rent received	Indirect income
26	Salary	Indirect Expenses
27	Carriage Inward	Direct Expenses
28	Carriage outward	Indirect Expenses
29	Wages	Direct expenses
30	Discount Allowed	Indirect Expenses
31	Discount Received	Indirect Income
32	Commission paid	Indirect Expenses
33	Commission received	Indirect Income
34	Printing & stationery	Indirect Expenses
35	General expenses	Indirect Expenses

Day - 3

LEARNING OBJECTIVES

- Hierarchy of Account groups & ledgers
- Reserved Account group
- Reserved Account ledger
- Group creation
- Configuration of Ledger Account

Account Groups & Party Ledgers

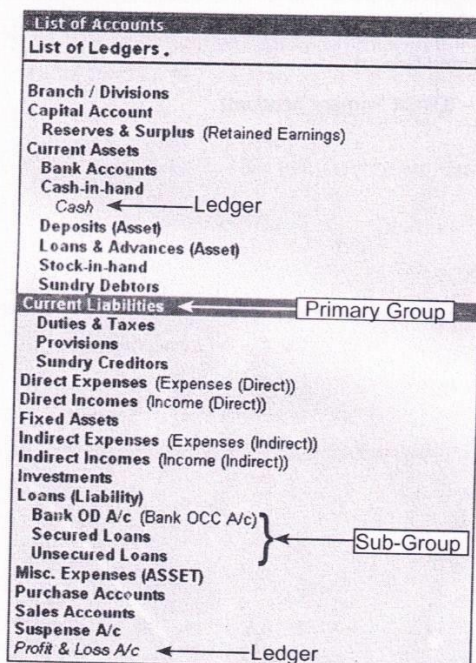
Chart of Accounts is the segmentation of Liabilities & Assets of Balance Sheet and Income & Expenses of Profit & Loss Accounts. It represents the hierarchical view of organization of Accounts Groups & ledger Accounts.

- ❖ **Ledger Accounts:** Ledger Account represents the various, summarized and balanced transactions of similar nature. For example, the ledger account Conveyance represents the set of transactions related to Conveyance expenses and their summarized net figure. All accounting transactions are linked to ledger accounts.
- ❖ **Account Groups:** Account Groups are just a convenient method of organizing the large population of Ledger accounts into a tree-structured hierarchical view for better understanding and interpretation.

Hierarchy of Account Groups & Leger

In Tally, you may organise Accounts Legers and Groups in hierarchical way. There is no limit on depth of nesting, number of group/subgroup and number of ledger accounts that can be placed under a Group/sub-group (these groups cannot be deleted).

Figure below shows a typical example of account groups & ledgers (Accounts Groups are shown in bold; Accounts Ledger Names are shown in *Italics*).





Reserved Account Groups

As soon as you create a company, Tally auto creates **28 pre-defined Account Groups** called Reserved Groups. Of these **28 Reserved Account Groups**, 15 are top level Primary Groups (the rest 13 are sub-group of one of these 15 Primary groups).

Figure below shows the Reserved Groups of **Liabilities** and **Assets**:

Capital Account Reserves & Surplus (Retained Earnings) Current Liabilities Duties & Taxes Provisions Sundry Creditors Loans (Liability) Bank OD A/c (Bank OCC A/c) Secured Loans Unsecured Loans Branch / Divisions Suspense A/c	Fixed Assets Current Assets Bank Accounts Cash-in-hand Deposits (Asset) Loans & Advances (Asset) Stock-in-hand Sundry Debtors Investments Misc. Expenses (ASSET)
Reserved Groups of Liabilities	Reserved Groups of Assets

Figure below shows the Reserved Groups of **Income** and **Expenses**:

Sales Accounts Direct Incomes (Income (Direct)) Indirect Incomes (Income (Indirect))	Purchase Accounts Direct Expenses (Expenses (Direct)) Indirect Expenses (Expenses (Indirect))
Reserved Groups of Income	Reserved Groups of Expenses

Reserved Ledger Accounts

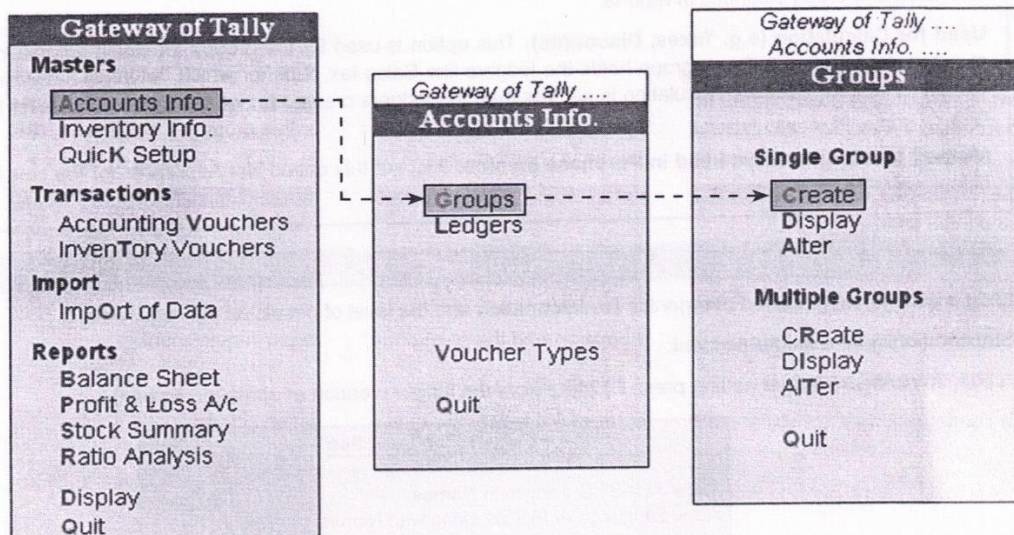
Tally automatically creates two (2) ledger accounts:

- ❖ **Cash** – (under Cash-in-Hand Group)
- ❖ **Profit & Loss Account** – (Direct Primary Account)

Group Creation

Group is a collection of Ledgers of the same nature, Tally.ERP 9 allows you to create groups as per your requirements

- 1) Select **Account Info** at **Gateway of Tally** to get **Accounts Info** Menu, which contains options for all Accounts Masters.



- 2) Select **Groups** to get **Groups** Menu, Select **Create** under **Single Group** to get **Group** creation screen.

The screenshot shows the 'Group Creation' screen. It has the following fields and options:

- Name** : Employee Expenses (with a text box for 'Enter the name of group')
- (alias)** :
- Under** : Indirect Expenses (with a text box for 'Select parent group')
- Group behaves like a Sub-Ledger** : ? No
- Nett Debit/Credit Balances for Reporting** : ? No
- Used for Calculation (eg. Taxes, Discounts) (for Sales Invoice Entry)** : ? No
- Method to Allocate when used in Purchase Invoice** : ? [Not Applicable

Navigation arrows indicate the path from the 'Groups' menu to the 'Create' option, and then to the 'Group Creation' screen.

- 3) Now enter the group name at '**Name**' field and select the **parent group** from the list of groups at '**Under**' field.



Alias: This is a simple mechanism of identifying a group by another name.

Group Behaves like a Sub-ledger: If it is set to "Yes" the group behaves like a control account for the ledgers it contains. Only the group balance will be displayed, not the individual ledger balances. This is useful for groups such as Sundry Debtors and Sundry Creditors.

Net Debit/Credit Balances for Reporting: Set this option to "Yes" to display amounts as a net figure instead of separate debit and credit balances in reports.

Used for Calculation (e.g. Taxes, Discounts): This option is used for the groups for which automatic calculation is required. Say, Duties & Taxes group holds the ledgers like Sales tax, Surcharge, etc. which is calculated based on a certain formula. If Used for calculation is set Yes then the ledgers created under this group will ask for the calculation rule.

Method to Allocate when used in Purchase Invoice: Just set this option Not Applicable for the time being. We will discuss on this topic later.

Configuration of Ledger Account (F12)

Ledger configuration is used to organise the information and the level of details as per requirement.

Steps to configure a ledger account:

- 1) To configure ledger setting press **F12 key** from the ledger creation or alteration screen.

Ledger Configuration	
Allow ALIASES along with Names	☐ Yes
Allow Language ALIASES along with Names	☐ No
Allow ADVANCED entries in Masters	☐ Yes
Add NOTES for Ledger Accounts	☐ Yes
Use ADDRESSES for Ledger Accounts	☐ Yes
Use CONTACT DETAILS for Ledger Accounts	☐ Yes

- 2) Enable the following configuration as required:

- a. **Allow ALIASES along with Names:** Enabling this option will give an extra field asking for the alias (byname) just below the ledger name. It is useful when a same ledger is known in multiple names (Ex: Standard Chartered or SCB).

Ledger Alteration		New India Traders	
Name	: Standard Chartered		
(alias)	: SCB		
		Total Op. Bal.	
		3,55,000.00 Dr	
		14,40,000.00 Cr	
		Difference	
		10,85,000.00 Cr	

- b. **Add NOTES for Ledger Accounts:** Enabling this option will give an extra field for writing some notes for the particular ledger. Suppose there is a party who always makes late payment, so in note field you can write 'Habituated in delay payment'.

Ledger Alteration		New India Traders											
Name	: D.K.Sharma	<table border="1"> <thead> <tr> <th colspan="2">Total Op. Bal.</th> </tr> </thead> <tbody> <tr> <td>3,55,000.00</td> <td>Dr</td> </tr> <tr> <td>14,40,000.00</td> <td>Cr</td> </tr> <tr> <td colspan="2">Difference</td> </tr> <tr> <td>10,85,000.00</td> <td>Cr</td> </tr> </tbody> </table>		Total Op. Bal.		3,55,000.00	Dr	14,40,000.00	Cr	Difference		10,85,000.00	Cr
Total Op. Bal.													
3,55,000.00	Dr												
14,40,000.00	Cr												
Difference													
10,85,000.00	Cr												
(alias)	:												
↓													
Notes	: Habituated in delay payment												

- c. **Use ADDRESSES for Ledger Accounts:** Set this option to Yes to enter the Mailing Details in the ledger master. It is useful for a Customer ledger, a Party ledgers or Bank Accounts. Mailing Details like Name, Address, State, PIN Code and PAN / IT No. is entered in this section. These details will appear in the printed reports

Ledger Alteration		New India Traders																			
Name	: D.K.Sharma	<table border="1"> <thead> <tr> <th colspan="2">Total Op. Bal.</th> </tr> </thead> <tbody> <tr> <td>3,55,000.00</td> <td>Dr</td> </tr> <tr> <td>14,40,000.00</td> <td>Cr</td> </tr> <tr> <td colspan="2">Difference</td> </tr> <tr> <td>10,85,000.00</td> <td>Cr</td> </tr> </tbody> </table>		Total Op. Bal.		3,55,000.00	Dr	14,40,000.00	Cr	Difference		10,85,000.00	Cr								
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PAN / IT No.	: AAPNI771L																				
Sales Tax No.	:																				
CST No.	:																				
Maintain balances bill-by-bill	? Yes																				
Default Credit Period	:																				
Inventory values are affected	? No																				

- d. **Use CONTACT DETAILS for ledger Accounts:** Set this option to Yes to specify the details of Contact person (if any) in the ledger creation screen. You can specify the details like the Name of the Contact Person, Telephone Number, Fax Number and the E-Mail Id.

Ledger Alteration		New India Traders																											
Name	: D.K.Sharma	<table border="1"> <thead> <tr> <th colspan="2">Total Op. Bal.</th> </tr> </thead> <tbody> <tr> <td>3,55,000.00</td> <td>Dr</td> </tr> <tr> <td>14,40,000.00</td> <td>Cr</td> </tr> <tr> <td colspan="2">Difference</td> </tr> <tr> <td>10,85,000.00</td> <td>Cr</td> </tr> </tbody> </table>		Total Op. Bal.		3,55,000.00	Dr	14,40,000.00	Cr	Difference		10,85,000.00	Cr																
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Sales Tax No.	: AAPNI771L																												
CST No.	:																												
Maintain balances bill-by-bill	? Yes																												
Default Credit Period	:																												
Inventory values are affected	? No																												

Day - 4

Class Exercise

- 1) Open that existing company and do following things.
- 2) Create following ledgers with mentioned groups.

Sl. No	Ledgers	Groups
1	A.K. Associates	Sundry Debtors
2	Tiptop brothers	Sundry Debtors
3	Strawbery & Sons	Sundry debtors
4	Complan & co	Sundry Creditors
5	Viva & Sons	Sundry Creditors
6	Moon Light brothers	Sundry Creditors
7	Outstanding Salary	Outstanding Expenses
8	Outstanding rent	Outstanding Expenses
9	Outstanding Sales Tax	Outstanding Expenses
10	Prepaid Godown rent	Pre- paid expenses
11	Prepaid Advertisement Expenses	Pre-paid expenses
12	Pre received rent	Accrued Income

- 3) Alter following ledgers with given details.

Ledgers name	Notes	Mailing Address	Contact details
A.K. Associates	New debtor	27. N.S. Road, Kolkata, 700001	Mr. A.K. Malhotra
Tiptop Brothers	Existing Debtor	28. A.J.C Bose Road, Kolkata-700026	Mr. T. K Sinha
Viva & Sons	New creditor	47/2/1, Suriyasen Street, Kolkata-700005	Ms. S. Sen
Moon light brothers	New Creditor	14/c, canning Street, Kolkata-700005	Ms. M. Ghosh

- 4) Delete the following ledgers

Sl. No	Ledgers Name	Group
1	Rent & Rates	Indirect Expenses
2	Rent received	Indirect income
3	Salary	Indirect Expenses
4	Carriage Inward	Direct Expenses
5	Carriage outward	Indirect Expenses
6	Wages	Direct expenses
7	Discount Allowed	Indirect Expenses
8	Discount Received	Indirect Income
9	Commission paid	Indirect Expenses
10	Commission received	Indirect Income
11	Printing & stationery	Indirect Expenses
12	General expenses	Indirect Expenses

- 5) Delete this company from Tally and data drive.

Day - 5

LEARNING OBJECTIVES

- Opening balance
- Introduction of Accounting voucher
- Concept of payment, Receipt, Contra and Journal Entries
- Discussing F11-F1 Basic Level

Opening Balance and Accounting Voucher

In case of an Opening Balance Sheet of a company we have to define opening balances for every Balance Sheet Ledgers. No opening balance is defining for Profit and loss Account ledgers; balance of Profit & Loss Account is closed by net profit or net loss. Opening balance can be defined in two ways. i.e [1] Ledger Creation [2] Ledger Alteration.

Follow the steps to give opening balance in ledger accounts.

Define Opening Balance at the time of Ledger creation

Path: Gateway of Tally → Accounts Info → Ledgers → Create

Ledger Creation	
Name : Capital Reserve (alias)	← Give ledger's name
Notes :	
Under : Reserves & Surplus (Capital Account)	← Select particular group's name
Inventory values are affected ? No	
Opening Balance (on 1-Apr-2010) : 52,000.00 Cr	← Define opening balance with nature of account

Define Opening Balance at the time of Ledger alteration

Maintain Balances Bill-by-Bill

If you have set Yes in F11: Features to 'Maintain Bill-wise details', this option appears while creating any ledger placed under Sundry Debtors or Creditors group, asking if you wish to maintain balances Bill-by-Bill. Respond Yes if you wish to do so, No if do not wish. In Tally.ERP 9 bill wise detail is set applicable by default.

Steps to Maintain Bill-by-Bill breakup of Party Ledger:

- 1) Press F11: Features → Accounting Features → Maintain Bill-wise Details.

Outstandings Management	
Maintain Bill-wise Details (for Non-Trading A/cs also)	? Yes
	? No
Activate Interest Calculation (use advanced parameters)	? No
	? No

- 2) Set the option 'Maintain Bill-wise Details' to Yes or No to activate or deactivate.



Path: Gateway of Tally → Accounts Info → Ledgers → Alter

Ledger Alteration	
Name	A.K. Associates
(alias)	
Notes	New debtor
Under	Sundry Debtors (Current Assets)
Maintain balances bill-by-bill	? Yes
Default Credit Period	
Inventory values are affected	? No
Opening Balance (on 1-Apr-2010) : 25,000.00 Dr	

In case of party ledger we have to distribute this amount bill wise

Bill-wise Breakup of : A.K. Associates Upto: Rs. 25,000.00 Dr				
Date	Name	Due Date, or Credit Days	Amount	Dr/ Cr
31/3/2010	AK/Sal/001/09-10	31-Mar-2010	12,690.00	Dr
31/3/2010	AK/Sal/005/09-10	31-Mar-2010	12,000.00	Dr
On Account:			24,690.00	Dr
			310.00	Dr
			25,000.00	Dr

Bill wise break up of debtors balance

Remaining balance treated as on account, which has no bill details

Total amount must be matched with opening Balance

Accounting Voucher

Accounts Voucher is the primary document in which the complete details of accounting transaction are recorded, like:

- ❖ Payment of salary to employees
- ❖ Withdrawal of cash from Bank account

You make an accounts voucher when you receive or pay money. But there are many instances of non-cash business transaction that requires a voucher entry, like:

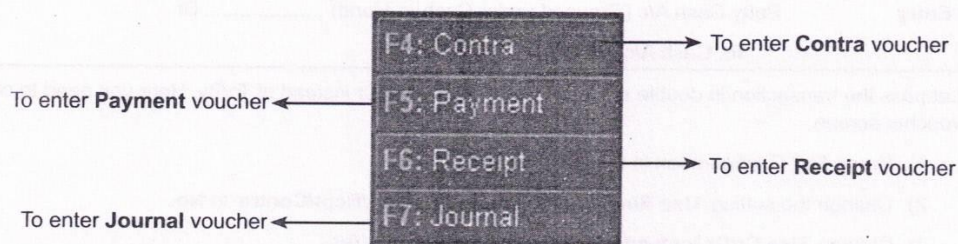
- ❖ Credit sale
- ❖ Provision for depreciation on fixed assets
- ❖ Accrued Income

The following are the basic accounting voucher types, considered essential by all kinds of business, irrespective of its nature, size or book keeping methods.

- 1 **Contra:** To record transfer of funds between cash and bank accounts.
- 2 **Payment:** To record payments of money by cash, cheque, bank transfer, etc.
- 3 **Receipt:** To record receipts of money by cash, cheque, bank transfer, etc.
- 4 **Journal:** To record all Non-Cash transaction (all accounting transactions not involving any cash or bank ledger).

Accounts Voucher Entry

You record a transaction through a voucher entry. To enter Accounts Voucher, select Accounting Voucher (or press V) at Tally Main Menu.



At the button bar in the voucher entry screen, you get a button for each of the voucher type. Click the appropriate button (or press the respective function key) to get the respective type of voucher entry screen.

Contra Voucher

Contra Voucher is used for Fund Transfer between Cash and Bank Accounts (Ledgers placed under Groups: Cash-in-hand, Bank Accounts and Bank OCC) only.

Following transaction should be entered in Contra Voucher:

- ❖ Cash deposited into Bank
- ❖ Cash withdrawn from Bank
- ❖ Cheque of one Bank deposited into another Bank
- ❖ Cash given to/received back from Petty cash

Let us assume ₹15000 cash withdrawn from Axis Bank (Cheque # 200101) to meet daily expenses of the business on 01-Apr-2009. Entry.

Entry	Cash A/c.....Dr	15000
	To, Axis Bank A/c	15000

Press **F4** function key (or click **F4: Contra button**) at the Voucher Entry Screen to enter contra voucher.

Single Entry Mode:

Accounting Voucher Creation		New India Traders	Ctrl + M
Contra	No. 1	F2 to change the Voucher date	1-Apr-2009 Wednesday
Account : Cash ←		Cash/Bank A/c to which money is being transferred	
Cur Bal: 45,000.00 Dr			
Particulars		Amount	
Axis ←		Cash/Bank A/c from which money is being transferred	
Cur Bal: 2,85,000.00 Dr		15,000.00	
Narration:			
Ch. No. :#200101. Cash withdrawn from Axis Bank.		15,000.00	



Let us assume ₹ 5000 transferred to Petty Cash from main cash for meeting daily expenses of the business on 01-Apr-2009.

Entry	Petty Cash A/c (Grouped under Cash-in-Hand) Dr	5000
	To, Cash A/c	5000

Let pass the transaction in double entry mode and to use Dr/Cr instead of To/By. Here you need to configure the payment voucher screen.

- 1) Press F12 Configuration in Contra Voucher Screen.
- 2) Change the setting 'Use Single Entry mode for Pymt/Rcpt/Contra' to No.
- 3) Change 'Use Cr/Dr instead of To/By during entry' to Yes.

Contra Configuration	
Skip Date field in Create Mode (faster entry!)	? No
Use Single Entry mode for Pymt/Rcpt/Contra	? No
Use Cr/Dr instead of To/By during entry	? Yes
Warn on Negative Cash Balance	? Yes
Show Ledger Current Balances	? Yes
Show Balances as on Voucher Date	? No

Double Entry Mode:

- ❖ Two ledgers involved in this entry. One is new and will not come in existing ledger list. So create the ledger (Petty Cash) by pressing ALT+C (Online creation) under Cash-in-hand group.

Accounting Voucher Creation		New India Traders		Ctrl + M
Contra No. 2				1-Apr-2009 Wednesday
Particulars	Debit	Credit		
Cr Cash Cur Bal: 70,000.00 Dr		5,000.00		
Dr Petty Cash Cur Bal: 5,000.00 Dr	5,000.00			
Narration: Transferred Rs.5000 to Petty cash.	Cheque No. with Narration	Voucher Total	5,000.00	5,000.00

Payment Voucher

All Payments (by Cash or through Bank) are recorded in Payment Voucher. Such payments may be towards Expenses, Acquisition of Fixed Assets, Dues to Creditors, Loan/Advances given by you or repayment of Loans/Advances taken by you earlier etc.

Let us pay salary to Mr. Ashraf Ali by Cheque # 200102 for ₹ 9100 on Axis Bank as on 02-Apr-2009.

Entry	Salary A/c (Grouped under Indirect Expenses)Dr	9100
	To, Axis Bank	9100

Press **F5 Function key** (or click **F5: Payment button**) at the Voucher Entry screen to get Payment Voucher entry screen.

Accounting Voucher Creation		New India Traders	Ctrl + M	X
Payment	No. 1		2-Apr-2009	Thursday
Particulars	Debit	Credit		
Dr Salary	9,100.00			
Cur Bal: 9,100.00 Dr				
Cr Axis		9,100.00		
Cur Bal: 2,75,900.00 Dr				
Narration:	9,100.00	9,100.00		
Ch. No. :#200102. Paid salary to Mr. Ashraf Ali.				

Save the payment voucher by pressing **Ctrl+A**.

Party Payment

Party payment is also made through payment mode. You need to be little careful while allocating the bills against the payment.

You can view the pending bill against the party from Gateway of Tally → Display → Statement of Accounts → Outstandings → Ledger → Select the party.

Ledger Outstandings		New India Traders	Ctrl + M	X
Ledger : Bharat Traders			1-Apr-2009 to 2-Apr-2009	
Date	Ref. No.	Opening Amount	Pending Amount	Due on Overdue by days
1-Feb-2009	BT/08-09/701	25,000.00 Cr	25,000.00 Cr	1-Mar-2009 32
1-Mar-2009	BT/08-09/945	15,000.00 Cr	15,000.00 Cr	1-Apr-2009 1
		40,000.00 Cr	40,000.00 Cr	

Following report is showing the bills pending of **Bharat Traders**. Let your company is paying ₹ 25000 by Cheque # 200103 for 25000 on Axis Bank against their opening bill (BT/08-09/701) on 02-Apr-09.

Entry	Bharat TradersDr	25000
	To, Axis Bank	25000

- 1) While debiting the party ledger, Tally will flush a screen asking for the bill allocation.



Accounting Voucher: Creation
Payment No. 2
New India Traders
Ctrl + M X
2-Apr-2009
Thursday

Particulars

Dr Bharat Traders
Cur Bal 15,000.00 Cr
Agst Ref BT/08-09/701 1 Months 25,000.00 Dr
(1-Mar-2009)
Cr Axis Bank
Cur Bal 2,50,900.00 Dr

Debit 25,000.00
Credit 25,000.00

Bill-wise Details for : Bharat Traders
Upto: Rs. 25,000.00 Dr

Type of Ref	Name	Due Date, or Credit Days (ref 2-4-2009)	Amount	Dr/ Cr
Advance				
Agst Ref				
New Ref				
On Account				

Pending Bills

Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr
Agst Ref	BT/08-09/701	1-Feb-2009	25,000.00 Cr	
	BT/08-09/945	1-Mar-2009	15,000.00 Cr	

Bill-wise Details for : Bharat Traders
Upto: Rs. 25,000.00 Dr

Type of Ref	Name	Due Date, or Credit Days (wef 2-4-2009)	Amount	Dr/ Cr
Agst Ref	BT/08-09/701	1 Months (1-Mar-2009)	25,000.00 Dr	

Narration:
Ch. No. : #200103. Payment made against the first bill.

25,000.00 25,000.00

- 2) Choose 'Agst Ref' as **Type of Reference** and select the specific pending bill (BT/08-09/701) from the display list.
- 3) Here the payment is made through Axis Bank, so credit Axis Bank account.
- 4) Finally save the voucher after entering the cheque number and narration.

Type of Ref.	Description
Advance	It is to be taken at the time of payment of advance to a party or receiving advance from a party.
Agst Ref	This reference type is used to allocate the amount against the previous bill(s). If this option is taken, tally will list all the bills against the party. You need to select the bill(s) to allocate the amount.
New Ref	This reference type is used when a new bill is raised against the party or by the party.
On Account	This option is for adjusting the amount only against the party ledger balance. It is used when no confirm information is available against the payment or the receipt.

Now if you check the outstanding report, it will show the pending bill except the bill paid just now.

Ledger Outstandings		New India Traders		Ctrl + M X	
Ledger : Bharat Traders				1-Apr-2009 to 2-Apr-2009	
Date	Ref. No.	Opening Amount	Pending Amount	Due on	Overdue by days
1-Mar-2009	BT/08-09/945	15,000.00 Cr	15,000.00 Cr	1-Apr-2009	1
		15,000.00 Cr	15,000.00 Cr		

Receipt Voucher

All the inflow of money (in Cash or through Bank) is recorded through Receipt Voucher. Such receipts may be towards any Income, from Debtors, Loans/Advances taken or Refund of Loans/Advances given earlier etc.

New India Traders received a dividend of ₹ 40000 in cheque (#5600801) of IDBI and deposited the same in Axis Bank on 01-05-2009.

Entry	Axis BankDr	40000
	To, Dividend Received (Grouped under Indirect Income)	40000

Press **F6 function key** (or click **F6: Receipt button**) at the voucher entry screen to get **Receipt Voucher** entry screen.

Accounting Voucher Creation		New India Traders	Ctrl + M X
Receipt No. 1			1-May-2009 Friday
Particulars	Debit	Credit	
Cr Dividend Received		40,000.00	
Cur Bal: 40,000.00 Cr			
Dr Axis	40,000.00		
Cur Bal: 2,90,900.00 Dr			
Narration:	40,000.00	40,000.00	
Ch. No. : # 5600801 of IDBI. Divident recieved in cheque.			

Advance Receipt

Let us illustrate another entry for advance receipt from a customer. Say **Rakesh Kumar** has made an advance of ₹ 12,000 in cheque # 3400901 of SBI for supplying some items on 01-May-09. This should be entered through Receipt mode.

Entry	Axis BankDr	40000
	To, Rakesh Kumar (Sundry Debtors)	40000

Accounting Voucher Creation		New India Traders	Ctrl + M X
Receipt No. 2			1-May-2009 Friday
Particulars	Debit	Credit	
Cr Rakesh Kumar		12,000.00	
Cur Bal: 12,000.00 Cr			
Advance Adv/001	12,000.00 Cr		
Dr Axis	12,000.00		
Cur Bal: 3,02,900.00 Dr			
Narration:	12,000.00	12,000.00	
Ch. No. : #3400901. Advance receipt from a party for selling goods.			

Journal Voucher

Journal voucher is an Adjustment Voucher, normally used for non-cash transactions like adjustment between ledger accounts.

Press **F7 function key** (or click **F7: Journal button**) at the voucher entry screen to get **Journal Voucher** entry screen.

For example you have made a payment for Rent of Rs.15000 in cheque #200104 of Axis Bank on 01-May 2009. Out of which ₹ 3000 is paid for Printing & Stationary and that is revealed after the rent entry has been passed.



- 1) First pass the rent payment entry in payment mode.

Entry	Rent (Indirect Expenses)	Dr	15000
	To, Axis Bank		15000

- 2) Now pass the adjustment entry in Journal Voucher mode:

Entry	Printing & Stationary (Indirect Expenses)	Dr	3000
	To, Rent		3000

Accounting Voucher Creation		New India Traders		Ctrl + M
Journal	No. 1	1-May-2009 Friday		
Particulars		Debit	Credit	
Dr Printing & Stationary				
Cur Bal: 3,000.00 Dr		3,000.00		
Cr Rent				
Cur Bal: 12,000.00 Dr			3,000.00	
Narration:				
Being Rent adjusted with Printing & Stationary		3,000.00	3,000.00	

Configuration of Journal Voucher

To configure Journal voucher mode to accept **Cash/Bank ledgers**, though it is not recommended, if you want you can configure Journal mode:

- 1) Press **F12** key from **Journal Voucher** screen.
- 2) Enable **Allow Cash Accounts in Journals**.

Journal Configuration	
Skip Date field in Create Mode (faster entry!)	? No
Use Cr/Dr instead of To/By during entry	? Yes
Warn on Negative Cash Balance	? Yes
Allow Cash Accounts in Journals	? Yes
Show Inventory Details	? Yes
Show Table of Bill Details for Selection	? Yes
Show Bill-wise Details	? Yes
Expand into multiple lines	? Yes
Show Ledger Current Balances	? Yes
Show Balances as on Voucher Date	? No

Day 6 & 7

Class exercise

1) Create a Company with the following details:

01	Name	Your Full Name followed by Traders
02	Address	Your Centre Address
03	State	Select your State
04	PIN Code	Keep your Centre PIN Code
05	Telephone Number	Enter your Centre Land line Number
06	Mobile Number	Leave it Blank
07	E-Mail	Enter your personal e-mail address
08	Currency Symbol	₹.
09	Maintain	Accounts with Inventory
10	Financial Year From	'01-04-2009
11	Book Beginning From	'01-04-2009
12	Use Security Control	No

2) Create the following General Ledgers with their Opening Balances under Proper Group.

SL.	Ledger Name	Group	Debit Amount	Credit Amount
1	Capital	Capital Amount		2500000
2	General Reserve	Reserve & Surplus		200000
3	Capital Reserve	Reserve & Surplus		500000
4	Profit & Loss A/c	Primary		60000
5	Loan from ICICI	Secured Loan		500000
6	Loan from Mr. A. Sinha	Unsecured Loan		200000
7	HSBC - (O/D)	Bank OD A/c		50000
8	Bengal Traders	Sundry Creditors		32000
9	Bharat Traders	Sundry Creditors		40000
10	O/s Salary	Outstanding Expenses*		28000
11	O/s Rent	Outstanding Expenses*		12000
12	O/s Electricity Bill	Outstanding Expenses*		4000
13	Furniture & Fixture	Fixed Assets	400000	
14	Computer	Fixed Assets	120000	
15	Machinery	Fixed Assets	1500000	
16	NSC	Investment	150000	
17	Sumanta Electronics	Sundry Debtors	50000	
18	National Infosys	Sundry Debtors	80000	
19	Cash	Cash in Hand	76000	
20	Citi Bank	Bank Accounts	800000	
21	Allahabad Bank	Bank Accounts	500000	
22	Preliminary Expenses	Misc. Expenses (Assets)	250000	



Open your Company and enter the following details:

1) Maintain the Bill break up of Creditors:

Party Name	Date	Bill Number	Credit Days	Amount	Dr./Cr.
Bengal Traders	01-01-2009	BT/08-09/201	1 Month	15000	Cr
	31/01/2009	BT/08-09/276	1 Month	14000	Cr
			On Account	3000	Cr

Party Name	Date	Bill Number	Credit Days	Amount	Dr./Cr.
Bharat Traders	02-01-2009	BHT/08-09/301	1 Month	20000	Cr
	31/01/2009	BHT/08-09/389	1 Month	12000	Cr
	31/01/2009	BHT/08-09/423	1 Month	8000	Cr

2) Maintain the Bill break up of Debtors:

Party Name	Date	Bill Number	Credit Days	Amount	Dr./Cr.
Sumanta Electronics	02-01-2009	ST/08-09/101	1 Month	25000	Dr
	31/01/2009	ST/08-09/102	1 Month	20000	Dr
			On Account	5000	Dr

Party Name	Date	Bill Number	Credit Days	Amount	Dr./Cr.
National Infosys	31-01-2009	ST/08-09/103	1 Month	30000	Dr
	02/02/2009	ST/08-09/104	1 Month	35000	Dr
	01/03/2009	ST/08-09/105	1 Month	15000	Dr

Pass the Following Transactions:

- 3) Paid Outstanding Salary on 01-04-2009 from **Citi Bank** (Chq. # 405301, dated 01-04-2009).
- 4) Cleared Outstanding Rent on 01-04-2009 from Allahabad Bank (Chq. # 305201, dated 01-04-2009).
- 5) Paid ₹ 1000 in cash for repairing of machine on 01-04-2009.
- 6) Advance payment made to marketing personnel for tour ₹1000 on 01-04-2009 in cash.
- 7) Received commission in cash of 38000 from ZKL Ltd on 01-04-2009.
- 8) The Proprietor sold household furniture for ₹100,000 and paid the money into business cash on 01-04-2009.
- 9) Borrow ₹50000 in cash from **Kanti Poddar** on 01-04-2009.
- 10) Paid Landlord ₹6000 for rent on 01-04-2009. One-third of the premises are occupied for his own residence.

Day 8

LEARNING OBJECTIVES

- Report checking for Trial balance
- Report for Party Ledger
- Report for Final Accounts
- Back up & Restore

Report of Accounting Statements, Back up & restores

Report is the vital part of every accounting strategy. Report shows the ultimate effect in financial statements. Different kinds of report are generated from every line of transaction. Report can be checked from different angle. Few reports are discussed below, such as, [1] Trial Balance [2] Party Ledger [3] Final Accounts

Trials Balance report

Path : Gateway of tally → Display → Trial Balance.

Trial Balance		New India Traders		Ctrl + M	F1: Condensed
Particulars	New India Traders		For 1-Apr-2009		F2: Period
	Closing Balance				F3: Group
	Debit	Credit			F5: Led-wise
Capital Account		32,00,000.00			F7: Vouchers
Reserves & Surplus		7,00,000.00			
Capital		25,00,000.00			
Loans (Liability)		7,50,000.00			
Bank OD A/c		50,000.00			
Secured Loans		5,00,000.00			
Unsecured Loans		2,00,000.00			
Current Liabilities		1,16,000.00			
Sundry Creditors		72,000.00			
Outstanding Expenses		44,000.00			
Fixed Assets		20,20,000.00			
Computer		1,20,000.00			
Furniture & Fixture		4,00,000.00			
Machinery		15,00,000.00			
Investments		1,50,000.00			
NSC		1,50,000.00			
Current Assets		15,06,000.00			
Sundry Debtors		1,30,000.00			
Cash-in-hand		76,000.00			
Bank Accounts		13,00,000.00			
Misc. Expenses (ASSET)		2,50,000.00			
Preliminary Expenses		2,50,000.00			
Profit & Loss A/c					
Diff. in Opening Balances		60,000.00			
		2,00,000.00			
Grand Total	41,26,000.00	41,26,000.00			



Helpful keys in Trial Balance

- Use ALT+F1 to get details and synchronized view
- Use ALT+F2 to change report viewing period
- In synchronized view Trial balance shows Group wise total. In details view it shows group total as well as ledger individual balance.
- ALT+C helps to create new column, through which a new column is created for group wise individual report
- Use CTRL+F12 to view report range wise.
- Use ALT+N to view report with auto generated column such as, daily, fortnightly, monthly, quarterly

Party Ledger Balance

Party ledger shows party's outstanding amount with bill wise details.

Path: **Gateway of Tally → Display → Statements of Accounts → Receivables (for debtors)/ payables (creditors)**

Following images shows bill wise details of A. K. Associates, who is a debtor of our company. On account balance will not shows in receivable details.

Bills Outstanding		New India Traders		Ctrl + M X	
Bills Receivable				1-Apr-2010 to 1-May-2010	
Date	Ref. No.	Partys' Name	Pending Amount	Due on	Overdue by days
31-Mar-2010	AK/Sa/001/09-10	A.K. Associates	12,690.00	31-Mar-2010	31
	31-Mar-2010	Opening Balance	12,690.00 Dr		
31-Mar-2010	AK/Sa/005/09-10	A.K. Associates	12,000.00	31-Mar-2010	31
	31-Mar-2010	Opening Balance	12,000.00 Dr		
			24,690.00		

Final Accounts

Final Accounts consists of Trading Account, Profit & Loss account and Balance Sheet. Tally shows a single report for Trading and P/L account. Separate reports for balance sheet.

Path : Gateway of Tally → Display → Profit & Loss Account / Balance Sheet.

Profit & Loss A/c		New India Traders		Ctrl + M	
Particulars		New India Traders 1-Apr-2009 to 31-May-2009	Particulars	New India Traders 1-Apr-2009 to 31-May-2009	
Purchase Accounts			Sales Accounts		
Direct Expenses					
Gross Profit c/o					
Indirect Expenses		70,500.00	Gross Profit b/f		
Advertisement Expenses	29,000.00		Indirect Incomes		1,50,000.00
Bank Charges	500.00		Commission Received	38,000.00	
Carriage Outward	800.00		Discount Received	2,000.00	
Commission Paid	9,200.00		Interest Received	1,10,000.00	
Depreciation	12,000.00				
Discount Allowed	2,000.00				
Interest Paid					
Loss on Sale of an Assets	5,000.00				
Postage & Telegram					
Printing & Stationery					
Rent	9,000.00				
Repairs & Maintenance	1,000.00				
Salary					
Telephone Bill	2,000.00				
Tour & Travelling Expenses					
Nett Profit		79,500.00			
Total		1,50,000.00	Total		1,50,000.00

Trading
Account
items

P/L A/c
items

- Use ALT+F1 to get details and synchronized view
- Use ALT+F2 to change report viewing period
- In synchronized view Trial balance shows Group wise total. In details view it shows group total as well as ledger individual balance.
- ALT+C helps to create new column, through which a new column is created for group wise individual report
- Use CTRL+F12 to view report range wise.
- Use ALT+N to view report with auto generated column such as daily, fortnightly, monthly and quarterly

Balance Sheet Report

A Balance Sheet is a financial statement that reports a firm's financial position at a specific time. It shows a balance between the assets and liabilities of a firm and the owner's funds.

Gateway to Tally → Balance Sheet and Press ALT+F1 for detailed view.

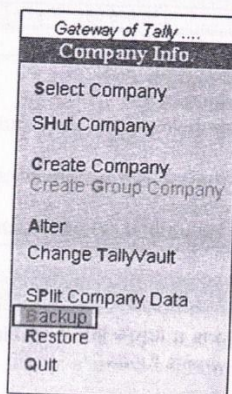


Balance Sheet				New India Traders		New India Traders		Ctrl + M	
Liabilities		New India Traders as at 1-Apr-2009		Assets		New India Traders as at 1-Apr-2009			
Capital Account			19,00,000.00	Fixed Assets			18,00,000.00		
Reserves & Surplus	8,50,000.00			Furniture	1,00,000.00				
Capital	12,00,000.00			Goodwill	5,00,000.00				
Drawings	(-1,50,000.00)			Land & Building	8,00,000.00				
Loans (Liability)			4,00,000.00	Machinery	4,00,000.00				
Secured Loans	4,00,000.00			Investments			4,00,000.00		
Current Liabilities			3,50,000.00	Investment in Bonds	4,00,000.00				
Sundry Creditors	40,000.00			Current Assets			8,50,000.00		
Outstanding Expenses	1,20,000.00			Closing Stock					
Bill Payable	1,90,000.00			Sundry Debtors	35,000.00				
Profit & Loss A/c			5,00,000.00	Cash-in-hand	60,000.00				
Opening Balance	5,00,000.00			Bank Accounts	5,00,000.00				
Current Period				Prepaid Expenses	5,000.00				
				Bill Receivable	2,50,000.00				
				Diff. in Opening Balances			1,00,000.00		
Total			31,50,000.00	Total			31,50,000.00		

Backup Company Data

The data you have entered is stored on Hard Disk. A copy of the data should be kept in other media (like Pendrive, CD, DVD and etc) for safety; you can even keep in Hard Disk. This process of keeping same copy of the data in another place is termed Back Up.

- 1) To back up your company data go to **Gateway of Tally → Company Info (ALT+F3) → Backup**.



- 2) In the **Backup Companies on Disk** screen, by default the cursor is at **Name of Company**, press Backspace to change the Source or the Destination.

The screenshot shows two windows from the Tally ERP 9 backup utility. The 'Select Companies to Backup' window on the left has fields for 'Source' (C:\Tally.ERP9\Data), 'Destination' (D:\Backup), and a table for selecting companies. The 'List of Companies' window on the right shows a list with 'New India Traders' selected. An arrow points from the 'New India Traders' entry in the first window to the 'List of Companies' window.

Name of Company	Number
New India Traders	(10001)

- a. **Source** – It is the source folder that contains data for which backup has to be taken. By default it is the Data folder of Tally.ERP 9
- b. **Destination** – It is a folder or an external device (pen drive/Portable Hard Disk etc.,) connected to the same or another computer where the data backup has to be stored.
- 3) Select the companies whose backup has to be taken from the **List of Companies** displayed, then select **End of List** to complete or select **All Item** to back up all the companies available in the respective data folder.

The screenshot shows the 'Backup Companies on Disk' window. It has a 'Select Companies to Backup' section with 'Source' (C:\Tally.ERP9\Data) and 'Destination' (D:\Backup). Below is a table with 'New India Traders' selected. At the bottom, there is an 'Accept?' section with 'Yes or No' options.

Name of Company	Number
New India Traders	(10001)

Accept?
Yes or No

- 4) Accept to continue taking the backup
- 5) The **Backing up Companies** screen appears displaying the name of the company being backed up and the percentage completed.

Note:

The backup file TBK900.001 is stored in the specified folder.

- * Now delete your current company.

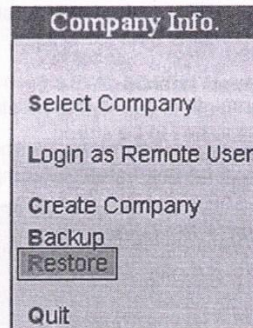


Restoring Backup

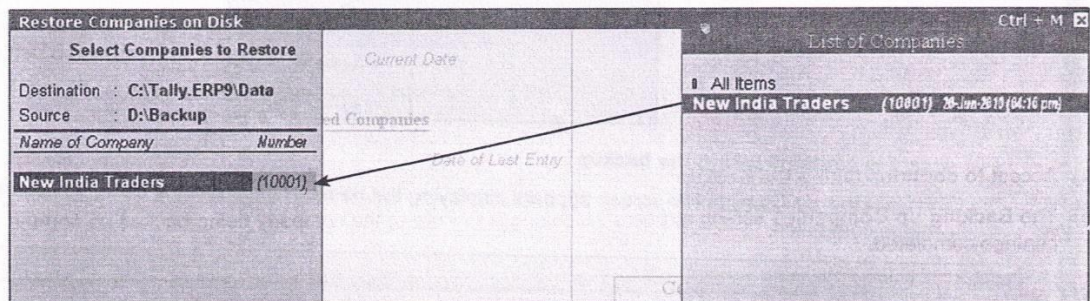
If the original data stored in the Hard Disk get damaged or deleted (or you have deleted), in such situation you can copy backup the data kept in other place (through Back Up process). The process of getting back the earlier data in the working Disk is known as Restoring of Data.

To restore the back-up taken on another disk, perform the following steps:

- 1) Go to **Gateway of Tally** → Press **F3: Company Info** → **Restore**.



- 2) In the Restore Companies on Disk screen. Select the required company name from **List of Companies** displayed to restore the data. The user can select one or more companies from the **List of Companies** or select All Items to restore all the available companies.



- 3) Accept the screen to continue restoring the data. You will notice the Restoring Companies screen appear showing the status of data being restored.

Day - 9

LEARNING OBJECTIVES

- Cost centre
- Online and offline creation
- Use of Cost centre in Voucher

Cost Categories and Cost Centres

Cost Categories are useful for organizations that require allocation of Revenue and Non-Revenue Items to parallel sets of Cost Centres. Cost categories facilitate third dimensional reporting of Expenditure and revenue. Some of the examples of Cost Categories can be Region wise or geography wise, Grade wise, Department wise and so on.

For instance, conveyance expense is paid from Standard Chartered Bank of ₹ 1200. The entry is simple:

Entry	Conveyance Expenses A/cDr	1200
	To, Standard Chartered	1200

But it is also given that the expense is actually divided between two branches (Raipur →400 and Jaipur →800). So to keep track of these extra units, we have only voucher narration. But this is not a solution because narration cannot generate any report of the various Branches after a specific period. The solution is Cost Centre and Cost Category.

To Create a Cost Category:

- 1) To create a **Cost Category**, set **Maintain Cost Centres** to **Yes** in **F11: Accounting Features** and then set **More than ONE Payroll/Cost Category** to **Yes**.

Cost/Profit Centres Management	
Maintain Payroll	? No
Maintain Cost Centres	? Yes
Use Cost Centre for Job Costing	? No
More than ONE Payroll / Cost Category	? Yes
Use Pre-defined Cost Centre Allocations during Entry ?	No
Show Opening Balance for Revenue Items in Reports ?	No

- 2) This option is by default, set to **No**. When this option is set to **Yes**, Tally.ERP 9 creates a single Cost Category called **Primary Cost Category** automatically and allows creation of Cost Centres under the Primary Cost Category. However, you may also create new Cost Categories or alter existing Cost Categories.
- 3) Gateway of Tally →Accounts Info. →Cost Categories →Create (under Single Cost Category)

Cost Category Creation	
Name	: Branch
(alias)	:
Allocate Revenue Items	? Yes
Allocate Non-Revenue Items	? Yes

- 4) Enter the name of the cost category as '**Branch**'.
- 5) **Allocate Revenue Items**: Set this option to **Yes**, to allocate all expenses and income related transactions to Cost Centres created under this Cost Category. However, if you wish to allocate only capital or non-revenue ledgers, set this option to **No**.



- 6) **Allocate Non - Revenue Items:** Set this option to Yes, to allocate transactions related to capital or non-revenue nature to Cost Centres created under this Cost Category. By default, this option is set to No.
- 7) Finally save the cost category creation screen.

A **Cost Centre** is any unit of an organization to which transactions (generally, revenue) can be allocated. When only cost or expenses are allocated to these units, they are referred to as Cost Centres. When profits are also allocated to these units, they become Profit Centres. You can now obtain a Profit and Loss account of each such Profit Centre.

Some examples of Cost Centres are:

- ❖ Departments of an organization - Finance, Manufacturing, Marketing, and so on.
- ❖ Individuals such as Salesman A and Salesman B.

To Create a Cost Centre:

- 1) Gateway of Tally → Accounts Info. → Cost Centres → Create (Single Cost Centre)

Cost Centre Creation	
Category :	Branch
Name :	Raipur
(alias) :	
Under :	Primary
Accept ? Yes or No	

- 2) **Category:** Select Branch as cost category from the pop-up window
- 3) **Name:** Enter name of the branch here (e.g. Raipur)
- 4) **Under:** Select Primary from the pop-up window. Accept the screen.
- 5) Similarly create another Centre name 'Jaipur'. Finally save the Cost Centre creation screen.

Cost Allocable Ledger Account

Now create a ledger name **Conveyance** under **Indirect Expenses**. At ledger creation/alteration screen, set 'Yes' at 'Cost centres are applicable' for cost allocable ledger account

Ledger Creation		New India Traders											
Name :	Conveyance Expenses	<table border="1"><thead><tr><th colspan="2">Total Op. Bal.</th></tr></thead><tbody><tr><td>32,00,000.00</td><td>Dr</td></tr><tr><td>33,00,000.00</td><td>Cr</td></tr><tr><td colspan="2">Difference</td></tr><tr><td>1,00,000.00</td><td>Cr</td></tr></tbody></table>		Total Op. Bal.		32,00,000.00	Dr	33,00,000.00	Cr	Difference		1,00,000.00	Cr
Total Op. Bal.													
32,00,000.00	Dr												
33,00,000.00	Cr												
Difference													
1,00,000.00	Cr												
(alias) :													
Notes :													
Under :	Indirect Expenses	<table border="1"><thead><tr><th colspan="2">Mailing Details</th></tr></thead><tbody><tr><td>Name</td><td>:</td></tr><tr><td>Address</td><td>:</td></tr><tr><td>State</td><td>:</td></tr><tr><td>PIN Code</td><td>:</td></tr></tbody></table>		Mailing Details		Name	:	Address	:	State	:	PIN Code	:
Mailing Details													
Name	:												
Address	:												
State	:												
PIN Code	:												
Inventory values are affected	? No												
Cost centres are applicable	? Yes												

costs
these

- 

- Cost Category:** Select 'Branch' from the pop-up window
- Name of Cost Centre:** Select the appropriate branch name from the pop-up window.
- Amount:** Enter the amount allocated to cost Centre.

This way you allocate the ledger amount to multiple cost centres. Finally save the Payment voucher screen.

st

Cost Category Summary		New India Traders		Ctrl + M
Particulars	New India Traders 1-Apr-2009 to 1-Nov-2009			
	Transactions		Closing Balance	
	Debit	Credit		
Branch				
Jaipur	1,200.00		1,200.00 Dr	
Raipur	800.00		800.00 Dr	
	400.00		400.00 Dr	

Cost Centre: *Marketing; Sales*

You have seen how you can manually allocate the ledger amount to Cost Category / Cost Centre. However, sometimes, it may be handy to allocate the amount on the basis of pre-fixed ratio, instead of entering the allocation for each voucher. You can create Cost Centre to automate the Cost Centre / Cost Category wise allocation of ledger account on the basis of pre-specified percentage set. A defined Cost Centre Class may be used with any Accounting Voucher.



Steps to set up for Cost Centre Class:

- 1) Go to **Gateway of Tally** → **F11: Features** → **Accounting Features**.
- 2) Set 'Yes' at 'Use Pre-defined Cost Allocations during Entry' to get Auto Cost Allocation screen.

Cost/Profit Centres Management	
Maintain Payroll	? No
Maintain Cost Centres	? Yes
Use Cost Centre for Job Costing	? No
More than ONE Payroll / Cost Category	? Yes
Use Pre-defined Cost Centre Allocations during Entry ?	Yes
Show Opening Balance for Revenue Items in Reports ?	No

Auto Cost Allocations	
Cost Centre Classes	
Name:	New India Traders
Class Name	
	Overhead Expenses

- 3) At Auto Cost Allocations specify the following:
 - a. **Cost Centre Class Name:** At Class Name field, enter the name of the Class to be created.
- 4) Now you get a window to specify the Cost Category Allocation details, to specify the following:

Auto Cost Definition		New India Traders		List of Categories	
Cost Centre Classes					
Name:	New India Traders	Company: New India Traders		Branch	
Class Name		Accounting Features		Department	
Overhead Expenses		Invoicing		Primary Cost Category	
		? Yes Allow Invoicing			
		? No Enter Purchases			
		? No Use Debit/Credit			
		? No Use Invoice m			
		? No Use Invoice m			
Cost Category					
Name of Cost Centre	%-age				
Department					

- a. **Cost Category Name:** At Cost Category field, select the Cost Category from the list of Cost Categories.

Auto Cost Definition		New India Traders		List of Cost Centres	
Cost Centre Classes					
Name:	New India Traders	Company: New India Traders		Accounts	
Class Name		Accounting Features		Sales	
Overhead Expenses		Invoicing			
		? Yes Allow Invoicing			
		? No Enter Purchases			
		? No Use Debit/Credit			
		? No Use Invoice m			
		? No Use Invoice m			
Cost Category					
Name of Cost Centre	%-age				
Department					
Accounts	40 %				
Sales	60 %				

- b. **Cost Centre Name:** At Name of Cost Centre field, you will get the list of all cost centres of the selected cost category. Select a cost Centre from the list and enter rate (in %) to be allocated to the cost Centre.

Auto Cost Allocations	
Cost Centre Classes	
Name:	New India Traders
Class Name	
Overhead Expenses	
Department	
Accounts	40 %
Sales	60 %

- 5) This will continue to create the desired Cost Classes and specify the Auto Cost Allocation for each Cost Centre class. Finally save the screen.
- 6) To pass the entry using this class, go to Payment voucher mode. You will get an option at the top of the voucher entry screen, asking for the Cost Centre class. Select the Cost Centre Class and pass the entry.

Accounting Voucher Creation		New India Traders		Ctrl + M
Payment	No. 6	Cost Centre/Classes :		Auto Cost List
Particulars				☐ Not Applicable ☐ Accounts ☐ Jaipur ☒ Overhead Expenses ☐ Raipur ☐ Sales
Dr				

- 7) The ledger amount entered in the voucher is auto allocated to the Respective Cost Category / Cost Centres as per allocation rules set in the selected Cost Centre class.

Accounting Voucher Creation		New India Traders		Ctrl + M
Payment	No. 5	Cost Centre/Classes :	Overhead Expenses	2-May-2009 Saturday
Particulars				
Dr Conveyance Expenses			Debit	Credit
Cur Bal: 4,200.00 Dr			3,000.00	
Cr Standard Chartered				3,000.00
Cur Bal: 1,95,800.00 Dr				
Narration:			3,000.00	3,000.00
Ch. No. :#400102. Being Conveyance expenses cleared through Standard Chartered.				

- 8) Now, go to Gateway of Tally → Display → Statement of Accounts → Cost Centres → Category Summary to check the cost centre allocation of voucher.

Cost Category Summary		New India Traders		Ctrl + M
Particulars	New India Traders 1-Apr-2009 to 1-Nov-2009			
	Transactions		Closing Balance	
	Debit	Credit		
Branch				
Jaipur	1,200.00		1,200.00 Dr	
Raipur	800.00		800.00 Dr	
	400.00		400.00 Dr	
Department				
Accounts	3,000.00		3,000.00 Dr	
Sales	1,200.00		1,200.00 Dr	
	1,800.00		1,800.00 Dr	



Day - 10

Class Exercise

- 1) On 1st May, paid electricity bill for two different office premises of ₹. 19,000. In which ₹ 5000 is for Bollygunge office and rest of the amount is for Park street office from CITI bank Ch no: 160112
- 2) On 1st May, ₹ 1000 paid for printing and stationery expenses. [Paper: ₹ 700, Pencil ₹ 100, Stapler pin ₹ 30, Eraser ₹ 50, Pen ₹150, conveyance of peon ₹ 20]
- 3) On 1st May, salary paid for the month of April. Total salary of ₹73,400 from CITI Bank Ch no: 160113. Following is the details of salary:-

Branch	Dept	Employee type	Designation	Employee name	Salary due
Part street	Purchase	Permanent	Manager	A.K Dhar	9000
Part Street	Sales	Permanent	Manager	B.N Basu	10500
Park street	Sales	Permanent	Executive	A.N.Bhattachariya	7500
Park street	Sales	Part time	Jr. Executive	S.Shaw	2500
Bollygunge	Admin	Permanent	Manager	N.Chatterjee	6900
Bollygunge	Accounts	Permanent	Manager	S. Roy	9000
Bollygunge	Accounts	Permanent	Data entry Operator	S. Das	3000
Bollygunge			MD	A.Roy	25000

- 4) ₹ 75000 introduced as capital through CITI bank
- 5) On 2nd May, paid Telephone bill for the month of April from CITI bank Ch no 160114. Following is the details of Telephone bill is given below:-

Branch	Dept	Employee type	Designation	Employee name	Ph no	Telephone bill amount
Part street	Purchase	Permanent	Manager	A.K Dhar	9869352410	1000.00
Part Street	Sales	Permanent	Manager	B.N Basu	9958049100	1500.00
Bollygunge	Admin	Permanent	Manager	N.Chatterjee	9000925410	500.00
Bollygunge	Accounts	Permanent	Manager	S. Roy	8052056210	500.00
Bollygunge			MD	A.Roy	8041010201	9500.00

- 6) Make a provision for rent of two office premise. Part street 65% and Bollygunge 35%.
- 7) On 2nd May, pay building rent for ₹ 35000 from Citi Bank ch no: 160115
On 2nd May, ₹ 10000 paid from advertisement from CITI bank. Ch no 160116. Advertisement details are as follows.
[ABP ₹ 5000, TOI ₹ 2600, HT ₹ 2400, Local newspaper ₹ 1000]
- 8) On 1st June, company paid ₹ 9000 for Tour Advance from cash. Details of Tour advance as follows.

Name	Designation	Advance amount
A. Roy	MD	7000
B. B.N Basu	Sales-Manager	2000

- 9) Take a backup of your company.

Day - 11

LEARNING OBJECTIVES

- Bank Reconciliation Statement
- Day book with advanced features
- Purchase and Sale of Assets

BRS, Daybook, Purchase & Sales of Assets

BRS

In accounting terminology BRS stands for Bank Reconciliation Statement. For example you make a payment by issuing a bank cheque to a party/supplier. What will happen to the cheque? The transaction will not reflect immediately in your bank. The party will first deposit the cheque on or after the date mentioned on the cheque. Then it will take further one-three working days for the cheque to clear depending on the bank. But your voucher entry in Tally is on prior date. So your bank ledger in tally may be showing wrong balance, not the actual balance. You don't know what happened to the cheque. Whether it is cleared or not? After getting your bank statement you will make reconciliation entry.

In Tally.ERP9 there is an option to enter the bank date. Tally will show two balances in reconciliation statement. The Balance as per company books and Balance as per Bank.

On 31-05-2009 Axis Bank has given the following statement of your company. Now, you need to reconcile your bank book as per the bank statement.

Account Statement						
Account ID - 153010100189642						
Transaction in the Date Range - 01/04/2009 to 31/05/2009.						
No.	Tran Date	Transaction Details	Chq. No.	Debit	Credit	Balance
1		Opening Balance	#200101	15,000.00		300,000.00
2	2-Apr-09	Cash Widrawal	#200103	25,000.00		285,000.00
3	1-May-09	Bharat Traders	#340091		12,000.00	260,000.00
4	31-May-09	Clg 3400901		250.00		272,000.00
5	31-May-09	Bank Charges		40,250.00	12,000.00	271,750.00
TRANSACTION TOTAL						
CLOSING BALANCE						271,750.00

Steps to reconcile Axis Bank:

- 1) Open the Bank A/c from **Gateway of Tally → Display → Accounts Book → Cash/Bank Book(s)**
- 2) Select **Axis Bank** to get **Ledger Monthly Summary** screen.
- 3) At **Ledger Monthly Summary**, Select a month (for which you like to make bank reconciliation) to get **Ledger Vouchers** showing the list of vouchers related to the selected Bank.
- 4) Press **ALT+F2** and set the **period** as 01-04-2009 to 31-05-2009.
- 5) Now click **F5: Reconcile** button (or press F5) to get **Bank Reconciliation** screen. It will give an extra column for entering the bank clearing dates.



Bank Reconciliation		New India Traders		Ctrl + M	
Ledger: Axis		1-Apr-2009 to 31-May-2009			
(Reconciliation)					
Date	Particulars	Vch Type	Bank Date	Debit	Credit
1-4-2009	Cash	Contra			15,000.00
2-4-2009	Salary	Payment			9,100.00
2-4-2009	Bharat Traders	Payment			25,000.00
1-5-2009	Dividend Received	Receipt		40,000.00	
1-5-2009	Rakesh Kumar	Receipt		12,000.00	
1-5-2009	Rent	Payment			15,000.00
Balance as per Company Books :				2,87,900.00	
Amounts not reflected in Bank :				52,000.00	64,100.00
Balance as per Bank :				3,00,000.00	

6) At Bank Reconciliation screen, click **F12: Configure** to get Bank Reconciliation screen.

Configuration	
Select vouchers to show	: All Vouchers
Format	: Condensed
Show Narrations also	? Yes
Include Opening Balances	? Yes
(set as 'no' to remove from filtered reports)	
Show Reconciled Vouchers also	? No
Allow back dated Reconciliation	? No
Appearance of Names	: Name Only

7) Enable 'Show Narration also' option to display cheque number and narration. Finally accept the configuration screen.

Bank Reconciliation		Ctrl + M	
Ledger: Axis		1-Apr-2009 to 31-May-2009	
(Reconciliation)			
Date	Particulars	Vch Type Bank Date	Debit Credit
1-4-2009	Cash Ch. No. : #200101. Cash Withdrawn From Axis Bank.	Contra 2-4-2009	15,000.00
2-4-2009	Salary Ch. No. : #200102. Paid Salary to Mr. Ashraf Ali.	Payment	9,100.00
2-4-2009	Bharat Traders Ch. No. : #200103. Payment Made Against the First Bill.	Payment 1-5-2009	25,000.00
1-5-2009	Dividend Received Ch. No. : # 5600801 of IDBI. Divident Recieved in Cheque.	Receipt	40,000.00
1-5-2009	Rakesh Kumar Ch. No. : #3400901. Advance Receipt From A Party for Selling Goods.	Receipt 31-5-2009	12,000.00
1-5-2009	Rent Ch. No. : # 200104. Rent Paid Through Axis Bank.	Payment	15,000.00
Balance as per Company Books :		2,87,900.00	
Amounts not reflected in Bank :		40,000.00	24,100.00
Balance as per Bank :		2,72,000.00	

8) Enter the bank dates as given in the statement and Press **CTRL+A** to save the screen.

- 9) If there is any extra entry found in Bank Statement, enter the transaction in tally. Here in the statement, there is a transaction for bank charge which is not entered in tally. So, enter the transaction in payment mode.

Entry	Bank Charges A/c (Grouped under Indirect Expenses)Dr	250
	To, Axis Bank	250

Accounting Voucher Creation		
Payment	No. 6	31-May-2009 Sunday
Cost Centre/Classes : ■ Not Applicable		
Particulars	Debit	Credit
Dr Bank Charges		
Cur Bal: 250.00 Dr	250.00	
Cr Axis		250.00
Cur Bal: 2,87,650.00 Dr		
Narration:		
Bank Charges.	250.00	250.00

- 10) Now again open **Bank Reconciliation** screen. Press **F12: Configuration** and enable the following options

- Show Narration also – Yes
- Show Reconciled Voucher also – Yes

Configuration	
Select vouchers to show	: All Vouchers
Format	: Condensed
Show Narrations also	? Yes
Include Opening Balances	? Yes
(Set as 'No' to remove from filtered reports)	
Show Reconciled Vouchers also	? Yes
Allow back dated Reconciliation	? No
Appearance of Names	: Name Only

Bank Reconciliation		New India Traders		Ctrl + M	
Ledger: Axis					
(Reconciliation - All Vouchers)		1-Apr-2009 to 1-Nov-2009			
Date	Particulars	Vch Type	Bank Date	Debit	Credit
1-4-2009	Cash				
	Ch. No. :#200101, Cash Withdrawn From Axis Bank.	Contra	2-4-2009		15,000.00
2-4-2009	Salary				
	Ch. No. :#200102, Paid Salary to Mr. Ashraf Ali.	Payment			9,100.00
2-4-2009	Bharat Traders				
	Ch. No. :#200103, Payment Made Against the First Bill.	Payment	1-5-2009		25,000.00
1-5-2009	Dividend Received				
	Ch. No. :# 5600801 of IDBI, Divident Recieved in Cheque.	Receipt		40,000.00	
1-5-2009	Rent				
	Ch. No. :# 200104, Rent Paid Through Axis Bank.	Payment			15,000.00
1-5-2009	Rakesh Kumar				
	Ch. No. :#3400901, Advance Receipt From A Party for Selling Goods.	Receipt	31-5-2009	12,000.00	
31-5-2009	Bank Charges				
	Bank Charges.	Payment	31-5-2009		250.00
Balance as per Company Books :				2,87,650.00	
Amounts not reflected in Bank :				40,000.00	24,100.00
Balance as per Bank :				2,71,750.00	



- 11) Now tally will also show the reconciled vouchers along with unreconciled vouchers. Now enter clearing dates for Bank Charges transaction.

Day Book Report

Day Book normally shows list of all types of Vouchers. It is quite similar to Voucher list of all voucher types.

Path: **Gateway of Tally → Display → Day Book**

- 1) Initially, you get list of all Vouchers for the Current Date (one day) only (the report period is shown at the header, for reference).
- 2) To get the report for any other Date (for one day only), Click **F2: Date** Button and change the current date.
- 3) To get list of Vouchers for a period, Click **F2: Period** button and enter Date Range. Now the report period will show the Vouchers for the selected period.

Day Book					
New India Traders					
Day Book					
1-Apr-2009 to 1-May-2009					
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
				Inwards Qty	Outwards Qty
1-4-2009	Axis	Contra	1		15,000.00
1-4-2009	Cash	Contra	2		5,000.00
2-4-2009	Salary	Payment	1	9,100.00	
2-4-2009	Bharat Traders	Payment	2	25,000.00	
1-5-2009	Rent	Payment	3	15,000.00	
1-5-2009	Dividend Received	Receipt	1		40,000.00
1-5-2009	Rakesh Kumar	Receipt	2		12,000.00
1-5-2009	Printing & Stationary	Journal	1	3,000.00	

Day Book Configuration

At Day Book screen, Click F12: Configuration and active the following options:

- 1) Format : Detailed
- 2) Show Narration also : Yes

Configuration		Format
Format	: Detailed	Condensed
Show Narrations also	? Yes	Detailed
Show Billwise Details also	? No	
Show Cost Centre Details also	? No	
Show Inventory Details also	? No	
Select vouchers to show	: All Vouchers	
Appearance of Names	: Name Only	
Sorting Method	: Default	

- 3) Keep other option unchanged and accept the screen to view Configured Day-Book Report.

Day Book		New India Traders		Ctrl + M	
Day Book				1-Apr-2009 to 1-May-2009	
Date	Particulars	Vch Type	Vch No.	Debit Amount Inwards Qty	Credit Amount Outwards Qty
1-4-2009	Axis Cash Ch. No. : #200101. Cash withdrawn from Axis Bank.	Contra	1	15,000.00	
1-4-2009	Cash Petty Cash Transferred Rs.5000 to Petty cash.	Contra	2		5,000.00
2-4-2009	Salary Axis Ch. No. : #200102. Paid salary to Mr. Ashref Ali.	Payment	1	9,100.00	
2-4-2009	Bharat Traders Axis Ch. No. : #200103. Payment made against the first bill.	Payment	2	25,000.00	
1-5-2009	Rent Axis Ch. No. : # 200104. Rent paid through Axis Bank.	Payment	3	15,000.00	

- 4) Here you can alter any voucher. To alter any voucher, select the voucher and press Enter to open voucher alteration mode. Make the required changes and save the voucher to effect the alteration.

Creation of Duplicate Voucher

To create duplicate voucher from daybook, follow the steps:

- 1) Highlight the entry for which you want to make duplicate voucher.

Day Book		New India Traders		Ctrl + M	
Day Book				1-Apr-2009 to 1-May-2009	
Date	Particulars	Vch Type	Vch No.	Debit Amount Inwards Qty	Credit Amount Outwards Qty
1-4-2009	Axis	Contra	1		15,000.00
1-4-2009	Cash	Contra	2		5,000.00
2-4-2009	Salary	Payment	1	9,100.00	
2-4-2009	Bharat Traders	Payment	2	25,000.00	
1-5-2009	Rent	Payment	3	15,000.00	
1-5-2009	Dividend Received	Receipt	1		40,000.00
1-5-2009	Rakesh Kumar	Receipt	2		12,000.00
1-5-2009	Printing & Stationary	Journal	1	3,000.00	

- 2) Press ALT+2 key. It will take you to the voucher entry screen and it is voucher duplication mode.

Accounting Voucher Creation (Duplication)		New India Traders		Ctrl + M	
Contra		No. 3		1-May-2009 Friday	
Particulars				Debit	Credit
Cr Cash					2,000.00
Cur Bal: 73,000.00 Dr					
Dr Petty Cash				2,000.00	
Cur Bal: 2,000.00 Dr					
Narration: Transferred Rs.2000 to Petty cash.				2,000.00	2,000.00



- 3) Make required changes and press **CTRL+A** to save the screen to create a new voucher making duplicate of the previous one.

Cash/Bank Summary Report

- 4) You can view Cash/Bank reports from **Gateway of Tally → Display → Accounts Books → Cash/Bank Book(s)**.
5) It will display all the cash and bank ledgers with their closing balance.

Cash/Bank Summary		New India Traders		Ctrl + M 	
Particulars	Bank Accounts New India Traders 1-Apr-2009 to 1-May-2009				
	Closing Balance				
	Debit		Credit		
Cash-in-hand	75,000.00				
Cash	68,000.00				
Petty Cash	7,000.00				
Bank Accounts	4,87,900.00				
Axis	2,87,900.00				
Standard Chartered	2,00,000.00				
Grand Total	5,62,900.00				

- 6) If you want to see the details of any of the cash or bank book, select the ledger and press Enter.

Ledger Monthly Summary		New India Traders		Ctrl + M X	
Particulars	Cash New India Traders 1-Apr-2009 to 1-May-2009				
	Transactions			Closing Balance	
	Debit		Credit		
	Opening Balance				60,000.00
April	15,000.00		5,000.00	70,000.00	Dr
May			2,000.00	68,000.00	Dr
June					
July					
August					
September					
October					
November					
December					
January					
February					
March					
Grand Total	15,000.00		7,000.00	68,000.00	Dr

- 7) You can also view the ledger debit and credit balance fortnightly. First select cash or bank ledger and then press F12 key to open the Configuration window.

Configuration		Periodicity
Nett transactions only	? No	4 Week Month
Show Closing Balances	? Yes	Daily
Show Percentages	? No	Fortnightly
Appearance of Names	: Name Only	Half Yearly
Scale Factor for Values	: Default	Monthly
Periodicity to use	: Fortnightly	Quarterly
Show Average Details	? No	Weekly
Show High/Low Details	? No	Yearly
Graphs		
Show with Graph	? Yes	

- ii) Now change the Periodicity to use as Fortnightly. The figure below showing the list of periodicity. Select any of this and check the report.

Ledger Monthly Summary New India Traders Ctrl + M			
Particulars	Cash New India Traders 1-Apr-2009 to 1-May-2009		
	Transactions		Closing Balance
	Debit	Credit	
Opening Balance			60,000.00 Dr
1-Apr to 15-Apr	15,000.00	5,000.00	70,000.00 Dr
16-Apr to 30-Apr			70,000.00 Dr
1-May to 15-May		2,000.00	68,000.00 Dr
16-May to 31-May			

- ii) You can again zoom in for the specific period and it will show the vouchers within the period.

Ledger Vouchers New India Traders Ctrl + M					
Ledger: Cash 1-Apr-2009 to 15-Apr-2009					
Date	Particulars	Vch Type	Vch No.	Debit	Credit
1-4-2009	Axis	Contra	1	15,000.00	
1-4-2009	Petty Cash	Contra	2		5,000.00
Opening Balance :				60,000.00	
Current Total :				15,000.00	5,000.00
Closing Balance :				70,000.00	

- 10) Press enter key to zoom in to reach to the voucher entry mode.



Accounting Voucher Alteration (Secondary)		New India Traders	Ctrl + M
Contra	No. 1		1-Apr-2009 Wednesday
Particulars	Debit	Credit	
Cr Axis Cur Bal: 2,87,900.00 Dr		15,000.00	
Dr Cash Cur Bal: 68,000.00 Dr	15,000.00		
Narration: Ch. No. : #200101. Cash withdrawn from Axis Bank.	15,000.00	15,000.00	

Purchase of Assets

Purchase Voucher is basically used for purchasing trading goods. We pass the Expenses incurred or Fixed Assets purchase through a Purchase voucher which is normally entered using Journal voucher. The same is possible in Purchase Voucher by enabling the following options:

- 1) Go to **Gateway of Tally → Accounting Vouchers → F9: Purchase**
- 2) Click **V: As Purchase** button on the **vertical button** bar or press **CTRL+V** to toggle between Purchase Invoice or Purchase voucher mode.
- 3) Enable '**Allow Expenses/Fixed Assets in Purchase Vouchers**' in Purchase Configuration screen.

Purchase Configuration	
Accept Supplementary Details	? Yes
Skip Date field in Create Mode (faster entry!)	? No
Use Cr/Dr instead of To/By during entry	? Yes
Warn on Negative Cash Balance	? Yes
Allow Expenses/Fixed Assets in Purchase Vouchers ? Yes	
Show Inventory Details	? Yes
Show Table of Bill Details for Selection	? Yes
Show Bill-wise Details	? Yes
Expand into multiple lines	? Yes
Show Ledger Current Balances	? Yes
Show Balances as on Voucher Date	? No

Purchase a computer of ₹.40000 for office use from Genuine Electronics on 01-May-2009.

Entry	Computer (Grouped under Fixed Assets)Dr	40000
	To, Genuine Electronics (Grouped under Sundry Creditor)	40000

Accounting Voucher Creation		New India Traders	Ctrl + M
Purchase	No. 1		
Supplier Invoice No. : GE/SALE/001		Date : 1-May-2009	1-May-2009 Friday
Particulars	Debit	Credit	
Cr Genuine Electronics		40,000.00	
Cur Bal: 40,000.00 Cr			
New Ref GE/SALE/001	40,000.00 Cr		
Dr Computer	40,000.00		
Cur Bal: 40,000.00 Dr			
Narration:	40,000.00	40,000.00	
Computer purchased for office use.			

As purchase, tally also uses sales mode for selling trading goods. But it can also be configured such a way that the mode can be used in income accounts. Set the option **Allow Income Accounts in Sales Vouchers to Yes** from **Sales Voucher Entry mode**. Sales mode is to be changed in As Voucher from Item Invoice by pressing **Ctrl+V**.

Sale of Assets

Due to malfunctioning, the Computer has been sold for ₹25000 to **Jhunnu Café** on 01-11-2009. Depreciation has been charged @ 60% p.a. Before selling of fixed assets, you have to calculate the written down value of Computer, it helps to calculate profit or loss on sale of fixed assets.

Depreciation Entry:

* Half-yearly depreciation amount : $40000 \times 60\% \times 6/12 = 12000$		
Entry	Depreciation A/c (Grouped under Indirect Expenses)Dr	12000
	To, Provision for Depreciation (Grouped under Provisions)	12000

Press **F7** function key (or click **F7: Journal button**) at the voucher entry screen to get **Journal Voucher** entry screen. Now pass the sales entry in Journal Voucher.

Accounting Voucher Creation		New India Traders	Ctrl + M
Journal	No. 2		
			1-Nov-2009 Sunday
Particulars	Debit	Credit	
Dr Depreciation	12,000.00		
Cur Bal: 12,000.00 Dr			
Cr Provision for Depreciation		12,000.00	
Cur Bal: 12,000.00 Cr			
Narration:	12,000.00	12,000.00	
Being Depreciation charged on Computer			

Sales Entry:

Entry	Jhunnu Cafe A/cDr	25000
	Provision for DepreciationDr	12000
	Loss on Sale of Assets (Grouped under Indirect Expenses)Dr	3000
	To, Computer	40000



Press **F7 function key** (or click **F7: Journal button**) at the voucher entry screen to get **Journal Voucher** entry screen.
Now pass the sales entry in Journal Voucher.

Accounting Voucher Creation		New India Traders		Ctrl + M X
Journal - No. 3				1-Nov-2009 Sunday
Particulars		Debit	Credit	
Dr Jhunnu Cafe		25,000.00		
Cur Bal: 25,000.00 Dr				
New Ref NIT/09-10/A001	25,000.00 Dr			
Dr Provision for Depreciation		12,000.00		
Cur Bal: 0.00 Dr				
Dr Loss on Sales of Assets		3,000.00		
Cur Bal: 3,000.00 Dr				
Cr Computer			40,000.00	
Cur Bal: 0.00 Cr				
Narration:		40,000.00	40,000.00	
Being Computer sold after charging half yearly depreciation.				

Day - 12 & 13

Class exercise

Open your Company and pass the following transactions:

- 1) Received Interest on NS C-Investment for ₹ 35000 in cheque of Standard Chartered (Chq. # 335001) and deposit the same in Citi Bank on 01-04-2009.
- 2) Paid quarterly rent of Proprietor's Private House by cheque of Allahabad Bank (Chq# 305202) of ₹ 15000 on 02-04-2009.
- 3) Received a bill of ₹ 4000 from "The Statesman Ltd" for placing an advertisement in the morning daily on 01-04-2009.
- 4) Company paid ₹ 30000 to Bengal Traders in full and final settlement through Citi Bank (Chq. #405302) on 02-04-2009.
- 5) Payment made to Ravi Gupta (an agent) ₹ 1200 as commission on 02-04-2009.
- 6) Drew a cheque of Allahabad Bank (Chq# 305203) for ₹ 2000 for petty cash on 02-04-2009.
- 7) Paid Outstanding electric bill on 02-04-2009 from Citi Bank (Chq. #405303)
- 8) Received cheque of Canara Bank (Chq.# 770401) from National Infosys of ₹ 78000 in full and final settlement of his account on 02-04-2009 and deposited the same in Citi Bank.
- 9) The Proprietor paid office rent out of his personal cash of ₹5000 on 02-04-2009.
- 10) Withdrew cash of ₹ 5000 from Citi Bank (Chq.#405304) for office use on 02-04-2009
- 11) Paid Telephone Bill of ₹ 2000 from Citi Bank (Chq. #405305) on 01-05-2009.
- 12) Loan taken ₹ 60,000 from Rohit Khurana (HSBC Bank Chq# 255601) and deposited the same into CITI Bank on 01-05-2009.
- 13) Purchased table and chairs worth ₹ 25,000 from Calcutta Furniture (CF/09-10/201) on 01-05-2009.
- 14) Sold all old Computers at ₹ 105,000 after charging depreciation of ₹ 10,000 to One-Stop Café [Sale Invoice: SAF/AST-001] on 01-05-2009.
- 15) Old Furniture sold for ₹ 8000 to Mr.R.Ghosh (Whose W.D.V is 10000) and received a cheque of PNB (Chq#653301) on 01-05-2009 and deposited the cheque in CITI Bank.
- 16) Paid ₹ 25000 in cash for Company Advertisement on 02-05-2009 (Radio Mirchi → ₹10,000; FM Radio → ₹15000).
- 17) Cleared Agent Commission for the month of April of ₹ 8,000 (₹ 2500 for Mr. Sunil; ₹ 3500 for Miss Sonia and remaining for Mr.Mohit) on 02-05-2009.
- 18) NSC matured and a cheque of ₹ 225,000 of ICICI (Chq# 87501) received on 31-05-2009 and deposited in CITI Bank.
- 19) Reconcile the company's Bank balance according to the given Bank Statements of CITI Bank.

**Account Statement**

Account Number - 11079190876

citibank

Transaction in the Data Range - 01-04-2009 to 31 - 05- 20090.

No.	Tran Date	Transaction Details	Chq. No.	Debit	Credit	Balance
1		Opening Balance				800,000.00
2	2-Apr-09	To Chequ issued	#405301	28,000.00		772,000.00
3	2-Apr-09	By Cheque deposited	#335001		35,000.00	807,000.00
4	2-Apr-09	To, Cash	#405304	5,000.00		802,000.00
5	2-May-09	To Cheque issued	#405305	2,000.00		800,000.00
6	2-May-09	By Cheque deposited	#653301		8,000.00	808,000.00
7	31-May-09	To, Bank Charge		500.00		807,500.00
		Transaction Total :		35,500.00	43,000.00	
		Closing Balance :				807,500.00

20) Take a Backup of your Company.

Day - 14

LEARNING OBJECTIVES

- Inventory
- Inventory vouchers

Inventory and Inventory Vouchers

On last day, you have read about Accounting. But, Tally is not about accounting only; it takes care of the inventory too. By inventory we mean the stocks items. A business is built on a product or Item. For a manufacturer, retailer, or wholesaler inventory (or stock) is the core of business. Stock Items are primarily classified according to groups and, thereafter into categories. A group is a combination of similar things. A category is a class or division of things. For example the company deals with the following products:

Sl. No	Product Name	Group	Category	Unit	Quantity	Godown	Rate	Amount
1	Rock Mobile - M70i	Mobile	Handset	Pcs	10	Ezra Street	4000	40000
2	Rock Mobile - E97			Pcs	6	Ezra Street	5000	30000
3	Battery - PL5C	Mobile	Accessories	Pcs	20	Highland Land	400	8000
4	Battery - BP6M			Pcs	10	Ezra Street	700	7000
5	Cable - Cable			Pcs	10	Ezra Street	600	6000
6	Phone Car Kit			Pcs	10	Ezra Street	300	3000
7	Bluetooth Handset			Pcs	5	Highland Land	1200	6000

Stock Group

You can classify all stock items into Stock Groups based on common feature, based on brand, quality, specification etc. For example a computer dealer may create Stock Groups like Hard Disk, Monitor, and Keyboard etc. Again sub-groups may be created in each group e.g. SATA Disk, IDE Disk. Thus you can nest groups to any level.

Here is an example of Stock Groups for Computer Dealers. In Stock Groups, Sub-Groups & Stock Items are presented in a hierarchical manner.



Grouping of Stock items helps to get Group specific report. In the above example, you get Stock report for Hard Disk instantly by selecting Hard Disk group.

Creation of Stock Group

- 1) Gateway of Tally → Inventory Info → Stock Group
- 2) Select **Create** under **Single Stock group** to get **Stock Group Creation** screen.

- a. **Name field:** Enter name of Stock Group.
 - b. **Under field:** Select the parent Stock Group for the Stock Group being created (select Primary to create top level group).
 - c. **Can Quantities of items be ADDED?** Give **Yes** to this question if all stock items under it can be summed up. If it is not desired, set to **No**.
- 3) Press enter key to save Stock Group Creation screen.

Stock Categories

Stock Categories offer the benefit of classifying an Item in another dimension – thus at any moment you can find similar items. In the above example, Monitor may be of different types, for example, CRT-Monitor, TFT- Monitor and etc.

Creation of Stock Group

- 1) Go to Gateway of Tally → F11: Features → Inventory Features.

- 2) Say 'Yes' to 'Maintain Stock Categories' option under **Storage & Classification**. Press **CTRL+A** to save.
- 3) Now, you can create the Stock Category name 'Handset'. Go to **Gateway of Tally → Inventory Info → Stock Categories**.
- 4) Select **Create** under **Single Categories** group to get **Stock Categories Creation** screen.

- a. **Name field:** Enter the Name of Stock Category.
 - b. **Under field:** A list displaying existing categories appears to select from. To create Primary level category, select Primary.
- 5) Press **Enter key** to save the Stock Category creation screen or press **CTRL+A** for quick save.

Similarly create another stock name '**Accessories**' category by yourself.

Creation of Simple Unit of Measure

A stock item is measured in a Unit, e.g., Pieces, Litre, Metre and etc. Select one of these options to create all such units. Many items are measured by a combination of 2 units (e.g. Box of 100 Pcs, Strip of 10 Capsules) which is termed as Compound Units.

- 1) Go to **Gateway of Tally → Inventory Info → Unit → Create.**

The screenshot shows the 'Gateway of Tally' menu with 'Inventory Info.' selected, leading to 'Units'. The 'Create' option is highlighted. This opens the 'Unit Creation' screen with the following fields:

Type	: Simple
Symbol	: Pcs
Formal Name	: Pieces
Number of Decimal Places	: 0

- 2) At **Type** field, cursor normally skips showing Simple as selected to create a Simple Unit.
- 3) At **Symbol** field, enter the symbol to denote the Unit (e.g. Pcs, Kg, Ltr).
- 4) At **Formal Name** field, enter full name of the Units (e.g. Pieces, Kilogram, Litre and etc).
- 5) At **Number of Decimal Places**, specify maximum number of decimal places (between 0 to 4) in which the quantity for the Unit may be specified (like 0 to show 25 Pcs; 3 to show 4.250 Kg).
- 6) Press **Enter key** to save the Unit Creation screen or press **CTRL+A** for quick save.

Godowns

Godown is the place to store Goods which may be a warehouse, rack, shelf, factories or anything. If you wish to monitor location wise movement of stock, you may create Multiple Godowns and while recording transactions you will specify the location, i.e., Godown. Tally automatically stores all the items in its default godown Main Location.

Creation of Godowns

- 1) Go to **Gateway of Tally → F11: Features → Inventory Features.**

The screenshot shows the 'Storage & Classification' screen with the following options:

Maintain Multiple Godowns	? Yes
Maintain Stock Categories	? Yes

- 2) Activate '**Maintain Stock Categories**'
- 3) Go to **Gateway of Tally → Inventory Info → Godowns.**



- 4) Select **Create** under **Single Godown** to get **Godown Creation** screen.

Gateway of Tally
Inventory Info

Godowns

Single Godown

Create
Display
Alter

Multiple Godowns

CReate
Display
ALTER
Quit

Godown Creation

Name : Ezra Street
(alias)

Under : Primary

Accept ?
Yes or No

- 5) At **Name** field, type the name of the godown (e.g. Ezra Street).
- 6) At **Under** field, A list displaying existing godown appears to select from. To create Primary level godown, select Primary.
- 7) Press **Enter** key to save the Godown creation screen or press **Ctrl+A** for quick save.

Similarly create another Godown name 'Highland Park' by yourself.

Stock Item

Stock Item refers to goods that you manufacture or trade. What you receive or issue, Sell or purchase is a Stock Item. For example, for the Mobile shops, mobile is a stock item.

Creation of Stock Items

- 1) Go to **Gateway Tally → Inventory Info → Stock item**.
- 2) Select **Create** under **Single Stock Item** to get **Stock Item Creation** screen.

Stock Item Creation New India Traders

Name : Rock Mobile-M70i
(alias)

Under : MOBILE
Category : Handset
Units : Pcs

Tax information
Tariff Classification : Not Applicable
Rate of Duty (eg 5) : 0

Allocations of : Rock Mobile-M70i
for: 10 Pcs

Godown	Quantity	Rate per	Amount
Ezra Street	10 Pcs	4,000.00 Pcs	40,000.00

Opening Balance : Quantity : 10 Pcs Rate per : 4,000.00 Pcs Value : 40,000.00

Accept ?
Yes or No

- a. At **NAME** field, enter a unique name of the Stock Item.
- b. At **UNDER** field, select the stock group (if the stock group is not existing, press **ALT+C** at this field and create the stock group).

- c. At **CATEGORY** field, select the stock category from the display list.
- d. At **UNITS** field, select the Unit of Measurement (e.g. Pcs) from Pop-up list (if units is not existing, press **ALT+C** at this field and the create the new units).
- 3) Enter the **Opening Balance** of the stock item and press enter key to open Godown Allocation screen.
- 4) Choose appropriate godown, input quantity and rate. Accept the screen by pressing enter key.
- 5) Press **Enter key** to save the Stock Item Creation screen or press **Ctrl+A** for quick save.
- 6) Keep **pressing enter key**, until you save the **Stock Item Creation** screen (or press **Ctrl+A** for quick save).

Now create all the stock items under proper groups and category.

Stock Summary Report

After creating all those items with their opening balances, Check **Stock Summary report** from **Gateway of Tally** → **Stock Summary**.

Stock Summary		New India Traders		Ctrl + M
Particulars	New India Traders 1-Apr-2009 to 1-Nov-2009			
	Closing Balance			
	Quantity	Rate	Value	
MOBILE				
	71 Pcs	1,408.46	1,00,000.00	
Battery-BP6M	10 Pcs	700.00	7,000.00	
Battery-PL5C	20 Pcs	400.00	8,000.00	
Bluetooth Handset	5 Pcs	1,200.00	6,000.00	
Data Cable	10 Pcs	600.00	6,000.00	
Phone Car Kit	10 Pcs	300.00	3,000.00	
Rock Mobile-E97	6 Pcs	5,000.00	30,000.00	
Rock Mobile-M70i	10 Pcs	4,000.00	40,000.00	
Grand Total	71 Pcs		1,00,000.00	



Godown Summary Report

- 1) You can view Godown wise report from **Gateway of Tally → Display → Statements of Inventory → Godown**. Select a particular Godown to display the report for a particular godown or to display all the godowns, select **Primary**.
- 2) Press **F12: Configuration** and say 'Yes' to 'Expand all levels in Detailed format' option.

Godown Summary New India Traders Ctrl + M x			
Particulars	New India Traders 1-Apr-2009 to 1-Nov-2009		
	Closing Balance		
	Quantity	Rate	Value
Ezra Street			
MOBILE	46 Pcs	1,869.57	86,000.00
Battery-BP6M	46 Pcs	1,869.57	86,000.00
Data Cable	10 Pcs	700.00	7,000.00
Phone Car Kit	10 Pcs	600.00	6,000.00
Rock Mobile-E97	10 Pcs	300.00	3,000.00
Rock Mobile-M70I	6 Pcs	5,000.00	30,000.00
Highland Park	10 Pcs	4,000.00	40,000.00
MOBILE	25 Pcs	560.00	14,000.00
Battery-PL5C	25 Pcs	560.00	14,000.00
Bluetooth Handset	20 Pcs	400.00	8,000.00
	5 Pcs	1,200.00	6,000.00
Grand Total	71 Pcs		1,00,000.00

Balance Sheet will automatically be updated with the closing stock value.

Balance Sheet New India Traders Ctrl + M x			
Liabilities		Assets	
New India Traders as at 1-Nov-2009		New India Traders as at 1-Nov-2009	
Capital Account	19,00,000.00	Fixed Assets	18,00,000.00
Reserves & Surplus	8,50,000.00	Computer	
Capital	12,00,000.00	Furniture	1,00,000.00
Drawings	(-)1,50,000.00	Goodwill	5,00,000.00
Loans (Liability)	4,00,000.00	Land & Building	8,00,000.00
Secured Loans	4,00,000.00	Machinery	4,00,000.00
Current Liabilities	3,65,000.00	Investments	4,00,000.00
Provisions		Investment in Bonds	4,00,000.00
Sundry Creditors	55,000.00	Current Assets	9,61,450.00
Outstanding Expenses	1,20,000.00	Closing Stock	1,00,000.00
Bill Payable	1,90,000.00	Sundry Debtors	48,000.00
Profit & Loss A/c	4,96,450.00	Cash-in-hand	75,000.00
Opening Balance	5,00,000.00	Bank Accounts	4,83,450.00
Current Period	(-)3,550.00	Prepaid Expenses	5,000.00
		Bill Receivable	2,50,000.00
Total	31,61,450.00	Total	31,61,450.00

Stock Journal Voucher

Stock Journal Voucher is used to make Stock Adjustment, e.g., due to shortage, wastage, excess or any other increase or decrease in stock, from one Godown to another.

- 1) So, to pass the entry we need to create a ledger name Carriage Inward (Grouped under Direct Expenses) first or it can be created as and when required (online creation by pressing ALT+C).

Let us assume, we need to transfer Rock Mobile-E97 from Ezra Street godown to Hiland Park godown with carriage charge of ₹.400 on 01-Jun-09.

- 2) Go to F11: **Features** → (Press F2) **Inventory Features**. Say 'Yes' to **Track additional costs of Purchase** option.

Purchase Management

Track additional costs of Purchase

? **Yes**

- 3) **Save** the Inventory Features screen.

- 4) Now, go to **Gateway of Tally** → **Inventory Voucher** → **Stock Journal** (ALT+F7).

Source (Consumption)				Destination (Production)					
Name of Item	Godown	Quantity	Rate	Amount	Name of Item	Godown	Quantity	Rate	Amount
Rock Mobile-E97	Ezra Street	6 Pcs	5,000.00/Pcs	30,000.00	Rock Mobile-E97	Highland Park	6 Pcs	5,000.00/Pcs	30,000.00
								Actuals: 5,066.67/Pcs	(30,400.00)
		6 Pcs		30,000.00			6 Pcs		30,400.00

Narration: Transferred Rock Mobile-E97 from Ezra St. to Highland Park godown with carriage charge extra.

Additional Cost Details for : Rock Mobile-E97

Type of Cost	%-age	Amount
Carriage Inward		400.00

- 5) At the left part, select the product (Rock Mobile-E97) to be transferred, select **Ezra Street godown** from where stock is going out and type the quantity. Rate and amount will automatically appear.
- 6) In the right-hand pane, select the same product (Rock Mobile-E97) that has been transferred from the source godown. Select **Highland Park godown** where the stock is coming in. Type the quantity received, rate will come automatically. Normally it should be the same rate as it is an inter-stock transfer.
- 7) When your cursor will move to the amount field, press **enter key** to pop-up another screen to accept the addition cost against this product.
- 8) Select **Carriage Inward** as type of cost and type the amount. Accept the screen for the products and then accept the stock journal screen to save the voucher.



1) Now, you have to pass the payment entry for **Carriage Inward** as the carriage charge is paid in cash.

Accounting Voucher Creation		New India Traders	Ctrl + M
Payment	No. 7		
		Cost Centre/Classes : Not Applicable	1-Jun-2009 Monday
Particulars	Debit	Credit	
Dr Carriage Inward			
Cur Bal: 400.00 Dr	400.00		
Cr Cash			
Cur Bal: 67,600.00 Dr		400.00	
Narration:			
Carriage expenses made for transferring goods from one godown to another.	400.00	400.00	

1) Now check the godown summary report from **Gateway of Tally → Display → Statements of Inventory → Godown**.

Godown Summary		New India Traders		Ctrl + M
Particulars		New India Traders 1-Apr-2009 to 1-Nov-2009		
		Closing Balance		
		Quantity	Rate	Value
Ezra Street				
MOBILE		40 Pcs	1,400.00	56,000.00
Battery-BP6M		40 Pcs	1,400.00	56,000.00
Data Cable		10 Pcs	700.00	7,000.00
Phone Car Kit		10 Pcs	600.00	6,000.00
Rock Mobile-M70I		10 Pcs	300.00	3,000.00
		10 Pcs	4,000.00	40,000.00
Highland Park				
MOBILE		31 Pcs	1,432.26	44,400.00
Battery-PL5C		31 Pcs	1,432.26	44,400.00
Bluetooth Handset		20 Pcs	400.00	8,000.00
Rock Mobile-E97		5 Pcs	1,200.00	6,000.00
		6 Pcs	5,066.67	30,400.00
Grand Total		71 Pcs		1,00,400.00

Day - 15

Class Exercise

Open your Company and do the followings:

- 1) Enter the following Opening Stock Details:

SL	GROUP	GODOWN	ITEM	UNITS	QTY	RATE	TOTAL
1	Hardware	Dunlop	Cabinet	Pcs	10	2100	21000
2	Hardware	Dunlop	Picture Tube	Pcs	10	4000	40000
3	Hardware	Dunlop	IC Chips	Pcs	70	200	14000
4	Electrical	Joka	Wire	Mtr	1000	10	10000
5	Hardware	Dunlop	Speaker	Pcs	100	400	40000
6	Electronics	Joka	MP4 Player	Pcs	12	1800	21600
7	Electronics	Joka	DVD Player	Pcs	10	2500	25000
8	Electronics	Joka	AIWA-Home Theater	Pcs	2	14200	28400

- 2) Transfer 2 Pcs AIWA-Home Theater from Joka godown to Chowringhee Showroom with carriage charge of ₹800 on 31-05-2009.
- 3) Take a Backup of your Company.



Day - 16 & 17

LEARNING OBJECTIVES

- Purchase cycle
- Rejection out
- Purchase Return

Purchase cycle

Orders are pre-Invoice documents. You may prepare Invoice even without incorporating ordering system. Orders do not affect Inventory (i.e. have no effect on stock).

Company Operations set up for Purchase Orders

Click **F11: Features** → (Press **F2**) **Inventory Features** and Set 'Yes' to 'Allow Purchase Order Processing' option to generate Purchase Orders.

Order Processing

Allow Purchase Order Processing

? **Yes**

Allow Sales Order Processing

? **No**

Purchase Order Entry

A purchase order is a document that formally requests a supplier to sell and deliver specified items at designated prices. Therefore, key decisions made in the initial step are identifying what, when and how much to purchase, as well as identifying from which supplier to purchase. Needless to say, a purchase order is also a promise to pay and becomes a contract once the supplier accepts it.

Let us place a purchase order to National Traders on 01-07-2009 for the following products:

- (a) 12 Pcs Rock Mobile-E97 @ 5000
- (b) 15 Pcs Bluetooth Handset @ 1200
- (c) 14 Pcs Data Cable @ 600. (Order Number – NIT/POR-01)

- 1) Before you move to the purchase order entry, you can create the new masters required for the transaction. Create **Purchase ledger** and **National Traders** with the following specification.

Ledger Name	Purchase	National Traders
Under	Purchase Account	Sundry Creditors
Inventory values are affected	Yes	No
Cost Centres are applicable	No	No
Maintain balances bill-by-bill	-	Yes

- 2) Select Inventory Vouchers at Gateway of Tally, Click **F4: Purc. Order** button (or press **ALT_F4**) to get Purchase Order screen.
- 3) Pass Purchase Order entry in this mode.

Inventory Voucher Creation		New India Traders		Ctrl + M
Purchase Order	No. 1	Cost Centre/Classes : [Not Applicable		1-Jul-2009 Wednesday
Party's A/c Name : National Traders		Order No. : NIT/POR-01		
Current Balance :				
Purchase Ledger : Purchase				
Name of Item	Quantity	Rate per	Amount	
Rock Mobile-E97	12 Pcs	5,000.00 Pcs	60,000.00	
Bluetooth Handset	15 Pcs	1,200.00 Pcs	18,000.00	
Data Cable	14 Pcs	600.00 Pcs	8,400.00	
			86,400.00	
Narration:		41 Pcs	86,400.00	
Being Purchase order placed.				

- 4) In Party's A/c Name field, select National Traders and in Purchase Ledger field, select Purchase. Enter Order number. Select Items, Quantity, and Rate in the respective field as shown above.
- 5) Now save Purchase Order Voucher.

Purchase Order Summary Report

- 2) To View **Purchase Order Summary Report**, Go to Gateway of Tally → Display → Statement of Inventory → Purchase Order Summary.

Purchase Order Summary		New India Traders		Ctrl + M	x
Particulars	New India Traders				
	1-Apr-2009 to 1-Nov-2009				
	Purchase Orders Outstanding				
	On Order				
	Quantity	Rate		Value	
MOBILE	41 Pcs	2,107.32		86,400.00	
Bluetooth Handset	15 Pcs	1,200.00		18,000.00	
Data Cable	14 Pcs	600.00		8,400.00	
Rock Mobile-E97	12 Pcs	5,000.00		60,000.00	
Grand Total	41 Pcs			86,400.00	

Goods Receipt Note Voucher

This voucher type is used for recording goods received from the supplier. When a delivery arises, the Receipt note shows the item number, description (if any), unit of measurement and the quantity. The receiving department compares the purchase order number referenced on the supplier's invoice (receipt note) with the purchase order file to verify that the goods were ordered. Source document for receiving goods is the purchase Challan.

On 02-07-2009 goods received from National Traders against the order (NIT/POR-01). The Challan number is NT/CHL-01.

This is a Challan for receiving goods. In Tally, for entering Purchase Challan necessary transaction type is **Rcpt Note** under **Inventory Vouchers**. You require to turn on the necessary option to activate Goods Receipt Note.



- 1) Gateway of Tally → F11: Features → (Press F2) Inventory Features.
- 2) Say 'Yes' to Use Tracking Numbers (Delivery/Receipt Notes) to generate Goods Receipt Note.

Additional Inventory Vouchers	
Use Tracking Numbers (Delivery/Receipt Notes)	? Yes
Use Rejection Inward/Outward Notes	? No

- 3) Select **Inventory Vouchers** at **Gateway of Tally**, Click **F9: Rcpt Note** button (or press **ALT_F9**) to get Receipt Note screen.
- 4) Now pass **Goods Receipt Note** entry in this mode.
- 5) Selecting the **Party name** display the **Order Detail** window, showing the pending orders within that day. Select the order number here; fill the required Supplier's details and press enter to proceed.

Inventory Voucher Creation		New India Traders		Ctrl : M : X	
Receipt Note No. 1		Ref. : NT/CHL-01		2-Jul-2009 Thursday	
Party's A/c Name : National Traders		Cost Centre/Classes : [Not Applicable			
Current Balance :					
Purchase Ledger : Purchase					
Name of Item	Item Allocations for : Rock Mobile-E97			Quantity	Rate per Amount
	Codown	Quantity	Rate per	Amount	
Rock Mobile-E97		12 Pcs	5,000.00 Pcs		60,000.00
Bluetooth Handset	Tracking No. : NT/CHL-01 Order No.: NIT/POR-01 Due on 1-Jul-2009	15 Pcs	1,200.00 Pcs		18,000.00
Data Cable	Ezra Street	14 Pcs	600.00 Pcs		8,400.00
					86,400.00
Order Details					
Order No(s) : NIT/POR-01 dt. 1-Jul-2009 Other Reference(s) :					
Supplier's Details					
Supplier : National Traders					
Address : 15, Jessor Road					
Sales Tax No. :					
CST Number :					
Type of Dealer : [Not Applicable					
Narration:					
Goods received in Challan # NT/CHL-01 from National Traders.					
				41 Pcs	86,400.00

- 6) Select the **Purchase A/c**. In the Item section, select the items and press enter to get Item Allocation window. Normally the Delivery Note Number is entered in **Tracking Number**. Select the current **Delivery Note Number** being displayed in the list of Tracking Numbers. This way, you may enter multiple tracking numbers for one item. Finally select End of List after entry of all tracking numbers in respect of the item.
- 7) Select the godown to store the products. Type the quantity received. It will automatically be filled with the order quantity. Rate will automatically be filled. You can change the rate if required.
- 8) Now save the Receipt Note Voucher.

After passing the Goods Receipt Note Voucher, the inventory books will automatically be updated. Check Stock Summary Report with Opening Balance, Inward and Outward Columns.

1) Gateway of Tally → Stock Summary.

2) Press F12: Configuration.

3) Say 'Yes' to the following option:

- Show Opening Balance
- Show goods inwards
- Show goods Outwards
- Show Closing Balance.

Configuration	
Show Quantities	? Yes
Show Rates	? Yes
Show Values	? Yes
Show Opening Balance	? Yes
Show goods inwards	? Yes
Show goods outwards	? Yes
Show Closing Balance	? Yes
Show All Items (incl. zero balance)	? No

Stock Summary				New India Traders								Ctrl + M	
Particulars	New India Traders												
	1-Apr-2009 to 1-Nov-2009												
	Opening Balance			Inwards			Outwards			Closing Balance			
	Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value	
MOBILE	71 Pcs	1,408.45	1,00,000.00	47 Pcs	2,485.11	1,16,800.00	6 Pcs	5,000.00	30,000.00	112 Pcs	1,667.86	1,86,800.00	
Battery-BP6M	10 Pcs	700.00	7,000.00							10 Pcs	700.00	7,000.00	
Battery-PLSC	20 Pcs	400.00	8,000.00							20 Pcs	400.00	8,000.00	
Bluetooth Handset	5 Pcs	1,200.00	6,000.00	15 Pcs	1,200.00	18,000.00				20 Pcs	1,200.00	24,000.00	
Data Cable	10 Pcs	600.00	6,000.00	14 Pcs	600.00	8,400.00				24 Pcs	600.00	14,400.00	
Phone Car Kit	10 Pcs	300.00	3,000.00							10 Pcs	300.00	3,000.00	
Rock Mobile-E97	6 Pcs	5,000.00	30,000.00	18 Pcs	5,022.22	90,400.00	6 Pcs	5,000.00	30,000.00	18 Pcs	5,022.22	90,400.00	
Rock Mobile-M70i	10 Pcs	4,000.00	40,000.00							10 Pcs	4,000.00	40,000.00	
Grand Total	71 Pcs		1,00,000.00	47 Pcs		1,16,800.00	6 Pcs		30,000.00	112 Pcs		1,86,800.00	

Purchase Pending Bill Report

Inventory books are updated but accounts books are still to be updated. Tally shows a report of the goods which has been received but no bill is raised against that products. Check the report from Gateway of Tally → Display → Statement of Inventory → Purchase Bill Pending.

Purchase Bills Pending						
New India Traders						
1-Apr-2009 to 1-Nov-2009						
Date	Tracking Number	Name of Item	Initial Quantity	Pending Quantity	Rate (Disc %)	Value
Goods Recd. but Bills not Recd. :						
2-Jul-2009	NT/CHL-01	Rock Mobile-E97	12 Pcs	12 Pcs	5,000.00	60,000.00
		From: National Traders				
2-Jul-2009	NT/CHL-01	Bluetooth Handset	15 Pcs	15 Pcs	1,200.00	18,000.00
		From: National Traders				
2-Jul-2009	NT/CHL-01	Data Cable	14 Pcs	14 Pcs	600.00	8,400.00
		From: National Traders				
			41 Pcs	41 Pcs		86,400.00

Rejections Out Voucher

This voucher is used for recording of goods that are sent on receipt note voucher which is rejected and returned to a supplier. For example, the company returns items that had previously been received on Challan and is now been returned back to the supplier.



- 1) To generate **Rejections out Voucher**, you need to activate the following option from **F11: Features** → (Press F2) **Inventory Features**.

Additional Inventory Vouchers	
Use Tracking Numbers (Delivery/Receipt Notes)	? Yes
Use Rejection Inward/Outward Notes	? Yes

- 2) Say 'Yes' to 'Use Rejection Inward/Outward Notes' option. Save the **Inventory Features** screen.

On 31-07-2009 company rejected 5 Pcs of Bluetooth Handset due to packing defect against the Challan number # NT/CHL-01.

- 3) Select Inventory Vouchers at Gateway of Tally, Click F6: Rej Out button (or press ALT+F6) to get Rejections Out screen.

Inventory Voucher Creation		New India Traders		Ctrl + M
Rejections Out No. 1		Cost Centre/Classes : ■ Not Applicable		31-Jul-2009 Friday
Ledger Account		Supplier's Name and Address		
National Traders		National Traders 15, Jessor Road		
Name of Item	Quantity	Rate per	Amount	
Bluetooth Handset	5 Pcs	1,200.00 Pcs	6,000.00	
Tracking No. : NT/CHL-01 Order No.: NIT/POR-01 Due on 1-Jul-2009				
	Ezra Street	5 Pcs	1,200.00 Pcs	6,000.00
Narration: Being 5 Pcs of Bluetooth Handset rejected due to packing defect.				
		5 Pcs		6,000.00

- 4) Select the Party's name from the **List of Ledger Accounts**, to whom you are returning the goods.
- 5) Select the **Item** from the **List of Stock Items**. Press **Enter** on the Item, it will display the **Item Allocations** screen.
- 6) Under the **List of Tracking Numbers**, the details of Receipt note along with Tracking number will be displayed. Select the same and mention the quantity rejected.
- 7) Give the narration, if required and save Rejections Out voucher creation screen.

Purchase Bill Voucher

Purchase voucher is used to record the Purchase transactions of the company. The entry can be passed using the Voucher mode or the Invoice mode where the calculations can be automated and the user can experience the ease of feeding the transactions into the system.

When a company purchases goods on credit or cash, **Purchase voucher** is used to record all the Sales transactions of the company.

- 1) To pass Purchase Bill, go to **Gateway of Tally** → **Accounting Voucher** → Press **F9** key or Click on **Purchase** Button and pass the transaction as follows:

Company received the Bill (Invoice No. # NT/08-09/201) from National Traders on 01-08-2009 against the goods received.

- 2) Select Party name to open the Receipt details window. Here you need to select the Challan number from the display list and accept the receipt details.

Accounting Voucher Creation New India Traders Ctrl + M X

Purchase No. 2
Supplier Invoice No. : NT/08-09/201 Date : 1-Aug-2009

Party's A/c Name : National Traders
Current Balance :
Purchase Ledger : Purchase

Receipt Details
Receipt Note No.(s) : NT/CHL-01 dt. 2-Jul-2009

Order Details
Order No(s) : NIT/POR-01 dt. 1-Jul-2009

Supplier's Details
Supplier : National Traders
Address : 15, Jessor Road

1-Aug-2009
Saturday

Name of Item	Quantity	Rate per	Amount
Rock Mobile-E97	12 Pcs	5,000.00 Pcs	60,000.00
Bluetooth Handset	10 Pcs	1,200.00 Pcs	12,000.00
Data Cable	14 Pcs	600.00 Pcs	8,400.00
			80,400.00

Item Allocations for : Bluetooth Handset

Godown	Quantity	Rate per	Amount
Tracking No. : NT/CHL-01	Order No. : NIT/POR-01	Due on 1-Jul-2009	
Extra Street	10 Pcs	1,200.00 Pcs	12,000.00

Narration:
Being Purchase bill received from National Traders.

36 Pcs 80,400.00

- 3) Select an item to open **Item Allocations** screen, select proper Tracking number (Challan number), Godown and other details and accept the screen for each product.
- 4) When you finish allocating the products in the bill, you need to assign the bill number. Tally can automatically allocate the bill with its default bill allocation system. If you want to allocate by your own, de-activate **Use Defaults for Bill Allocation** from **Configuration (F12)**.

Purchase Invoice Configuration

Accept Supplementary Details ? Yes
(Address Details, Despatch Details etc.)

Allow Separate Buyer and Consignee Names ? No

Use Common Ledger A/c for Item Allocation ? Yes

Use Defaults for Bill Allocations ? **No**

Use Additional Description(s) for Item Name ? No

Consolidate Stock Items with same rates ? No

- 5) The following screen will appear for billing allocation. Select **New Ref** from the list of allocation type and type the reference number for the bill. In case of purchase the default reference number will appear as the bill number.

Bill-wise Details for : **National Traders**
Upto: **Rs. 80,400.00 Cr**

Type of Ref	Name	Due Date, or Credit Days (wef. 1-8-2009)	Amount	Dr/ Cr
New Ref	NT/08-09/201	Method of Adj	80,400.00	Cr
		Advance		
		Agst Ref		
		New Ref		
		On Account		

Debit Note Voucher Entry (Purchase Return)

Debit Note voucher is entered to Debit Party Account. Normally Debit Note is issued when bought goods are returned to vendor (Purchase Return) or when you charge a customer extra for rate difference etc.



The buyer raises a Debit Note in respect of a Credit Note issued by the vendor for Rebate etc.

Company Returns all the Data Cable to National Traders against Bill Number NT/08-09/201 due to poor customer feedback on 02-08-2009.

Entry	National Traders..... Dr	8400
	To, Purchase Return (Grouped under Purchase Account)	8400

Company Operations set up for Debit Note

- 1) Go to **F11: Features** → **Accounting Features. (F1)**

Invoicing	
Allow Invoicing	? Yes
Enter Purchases in Invoice Format	? Yes
Use Debit/Credit Notes	? Yes
Use Invoice mode for Credit Notes	? No
Use Invoice mode for Debit Notes	? Yes

- 2) Say **Yes** to **Use Debit/Credit Notes** and **Use Invoice mode for Debit Notes** options to generate Debit Note voucher.
- 3) Go to **Gateway of Tally** → **Accounting Vouchers** → **F9: Debit Note** (or Press **CTRL+F9**).
- 4) If you do not get the screen as invoice format press **CTRL+V** to toggle between invoice & voucher mode.

Accounting Voucher - Creation		New India Traders		Ctrl + M X
Debit Note	No. 1			2-Aug-2009
Ref : P-RT/001	Cost Centre/Classes : [Not Applicable		Sunday	
Party's A/c Name : National Traders				
Current Balance : 80,400.00 Cr				
Purchase Ledger : Purchase Return				
Name of Item	Quantity	Rate per	Amount	
Data Cable	14 Pcs	600.00 Pcs	8,400.00	
Narration:		14 Pcs	8,400.00	
Being all Data Cable is returned due to inferior quality to National Traders.				

- 5) Before saving the voucher tally will ask for the bill allocation. The return should be adjusted against the previous bill. If the information is given against which bill the return is actually made, select **Agst Refand** pick the bill from the list of bills. If no information is given, select On Account as reference type.

Bill-wise Details for : National Traders				
Upto: Rs. 8,400.00 Dr				
Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr
Pending Bills				
Agst Ref	NT/08-09/201	NT/08-09/201	1-Aug-2009	80,400.00 Cr

- 6) Finally save the **Debit Note** voucher.

Ledger Vouchers Report

- 1) Check the report for National Traders from **Gateway of Tally → Display → Accounts Book → Ledger**
- 2) Choose and enter **National Traders** ledger account to view ledger report.

Ledger Vouchers		New India Traders		Ctrl + M	
Ledger: National Traders		1-Aug-2009 to 1-Nov-2009			
Date	Particulars	Vch Type	Vch No.	Debit	Credit
1-8-2009	Purchase	Purchase	2		80,400.00
2-8-2009	Purchase Return	Debit Note	1	8,400.00	
		Opening Balance :			
		Current Total :		8,400.00	80,400.00
		Closing Balance :			72,000.00



Day 18 & 19

Class Exercise

- 1) On 1st April purchase order placed for following goods, Purchase order No: PUR-Ord/0155

Items	Qty	Rate
Cabinet	100	1900
Picture Tube	150	3750
IC Chips	100	185
Wire	2500	9.50
DVD Player	1500	2200

- 2) On 1st April goods received as per the following details. Purchase receipt Note: PUR-CHA/0165

Items	Qty	Rate	Showroom
Cabinate	75	1900	Chowringhee
Picture Tube	100	3750	Chowringhee
IC Chips	20	185	Chowringhee
Wire	1500	9.50	Chowringhee
DVD Player	750	2200	Chowringhee

- 3) On 1st April, Bill made for above challan. Purchase Invoice no : PUR_INV/0170
4) On 2nd April, remaining goods received and stored in Chowringhee against purchase order No : PUR_Ord/0155
5) On 1st May, following goods are rejected due to manufacturing defect.

Items	Qty
Cabinet	5
Picture Tube	2
DVD Player	10

- 6) On 31st May, rejected goods have been replaced with the same price. Purchase Challan no: PUR-CHA/0166.
7) On 1st June, invoice made for the replaced goods challan (PUR-CHA/0166), Invoice no pur_INV/0171
8) Company placed a Purchase order on 31-05-2009 [Order No: BT/ORD-001] to Bengal Traders for the following goods, which can be stored at any godown.
AIWA - Home Theater - 4 Pcs
MP4 Player - 8 Pcs
DVD Player - 5 Pcs
9) Company placed another Purchase order on 01-06-2009 [Order No: BHT/ORD-901] to Bharat Traders for the following goods, which can be stored at any godown.
Cabinet - 10 Pcs
Picture Tube - 10 Pcs
IC Chips - 50 Pcs
10) Goods received at Chowringhee Showroom on 02-06-2009 against the Order No: BT/ORD-001 from Bengal Traders [Challan No: BT/CHL-201].

- 11) Goods received from Bharat Traders on 02-06-2009 of order at Dunlop godown against the Order No: BHT/ORD-901[Challan No: BHT/CHL-1001].
- 12) Company rejected 2 Pcs MP4 Player from Chowringhee Showroom due to old stock against Challan No: BT/CHL-201 on 01-07-2009 to Bengal Traders.
- 13) Received purchase invoice on 01-07-2009 from Bengal Traders against Challan No: BT/CHL-201 along with the following rates. [Purchase Invoice No: BT/09-10/571].
- | | | |
|-------------------|---|-------|
| AIWA-Home Theater | - | 14200 |
| MP4 Player | - | 1800 |
| DVD Player | - | 2500 |
- 14) Received purchase invoice on 02-07-2009 from Bharat Traders against Challan No: BHT/CHL-1001 along with the following rates. [Purchase Invoice No: BHT/09-10/501].
- | | | |
|--------------|---|------|
| Cabinet | - | 2100 |
| Picture Tube | - | 4000 |
| IC Chips | - | 200 |
- 15) On 31-07-2009 company return 1 Pcs AIWA-Home Theater to Bengal Traders from Chowringhee Showroom against the Purchase Invoice No: BT/09-10/571.
- 16) Purchase 12 Pcs Speaker @ 400 in cash from SONY WORLD on 31-07-2009 and stored at Chowringhee showroom. [Purchase Invoice: SW/09-10/327].
- 17) On 1-12-2009 Cash purchase made for following goods.
- | | | | |
|--------------|---|--------|--------|
| Wire | - | 10 mtr | @10.75 |
| Picture Tube | - | 10 Pcs | @4500 |
| IC Chips | - | 50 Pcs | @75 |
- 18) On 2-12-2009 cash purchase made for the following goods;
- | | | | |
|------------|---|--------|-------|
| DVD Palyer | - | 10 pcs | @2560 |
| Speaker | - | 5 pcs | @450 |
- 19) M/s Swati Electronics purchased 1 pc of Aiwa Home theater @ ₹ 14550
- 20) Take a backup of your company.



Day - 20 & 21

LEARNING OBJECTIVES

- Sales cycle
- Rejection in
- Sales Return

Sales cycle

When the order is received from a customer for goods to be supplied, the Items, quantities, date of delivery, etc., are given with Sales Order Number. Later when these goods are delivered, this **Sales Order** is tracked for the order details either in the delivery note or in the sales invoice.

Sales order entry is exactly like the Purchase Order Entry. Sales Order details also depends on configuration settings.

- 1) To enable **Sales Order** in Tally.ERP 9, activate the following in **F11: Features** → **F2: Inventory Features**.
- 2) Set **Allow Sales Order Processing** to Yes in the **Order Processing** section.

Order Processing	
Allow Purchase Order Processing	? Yes
Allow Sales Order Processing	? Yes

- 3) **Save and exit** from Inventory Features screen.

On **31-08-2009** received a sales order from **Rakesh Kumar** for the following products:

- (a) 12 Pcs Rock Mobile-E97 @ 8000
- (b) 10 Pcs Rock Mobile-M7oi @ 6500
- (c) 10 Pcs Bluetooth Handset @ 2400. (Order Number – RK/OR-01)

- 4) Before you move to the Sales Order entry, you can create the new masters required for the transaction. Create **Sales ledger** and **National Traders** with the following specification.

Ledger Name	Sales	S.M.Mumtazuddin
	Sales Account	Sundry Debtor
Under		No
Inventory values are affected	Yes	No
Cost Centres are applicable	No	Yes
Maintain balances bill-by-bill	-	

- 5) You can create the above ledger online by pressing **ALT+C** key.
- 6) Select **Inventory Vouchers at Gateway of Tally** → Click **F5: Sales Order** button (or Press **ALT+F5**) to get Sales Order Screen.
- 7) The entry process is similar to Purchase order entry, which we had discussed earlier.

Inventory Voucher: Creation		New India Traders		Ctrl + M
Sales Order	No. 1	Cost Centre/Classes :		31-Aug-2009 Monday
Party's A/c Name : S.M. Mumtazuddin		Order No. : SM/ORD-01		
Current Balance :				
Sales Ledger : Sales				
Name of Item	Quantity	Rate per	Amount	
Rock Mobile-E97	12 Pcs	8,000.00 Pcs	96,000.00	
Rock Mobile-M70i	10 Pcs	6,500.00 Pcs	65,000.00	
Bluetooth Handset	10 Pcs	2,400.00 Pcs	24,000.00	
			1,85,000.00	
	32 Pcs		1,85,000.00	
Narration: Sales order received from S.M.Mumtazuddin store.				

Sales Order Summary Report

Sales Order Summary Report gives detailed information on outstanding sales orders. The outstanding orders can be viewed Stock Item wise or Stock Group wise, using the toggle button **F5**.

Sales Order Summary is similar to Stock Summary; however by default it displays the status of the Sales Order Outstanding.

To view **Sales Order Summary**:

- 1) Go to **Gateway of Tally → Display → Statements of Inventory → Sales Order Summary**

Sales Order Summary		New India Traders		Ctrl + M
Particulars		New India Traders 1-Apr-2009 to 1-Nov-2009 Sales Orders Outstanding		
		On Order		
		Quantity	Rate	Value
MOBILE		32 Pcs	5,781.25	1,85,000.00
Bluetooth Handset		10 Pcs	2,400.00	24,000.00
Rock Mobile-E97		12 Pcs	8,000.00	96,000.00
Rock Mobile-M70i		10 Pcs	6,500.00	65,000.00
		32 Pcs		1,85,000.00
Grand Total				

- 2) Drilling down from a selected Stock Item displays the order detail screen which provides information on the order number, date of order, party, quantity, undelivered order, rate, value of ordered stock, due date for delivering the goods and the number of days overdue.

- 3) The Order details screen will be displayed as shown.

Order Details		New India Traders		1-Apr-2009 to 1-Nov-2009		
Item: Bluetooth Handset						
Sales Orders(All Orders)						
Date	Order Number	Name of Party	Ordered Quantity	Balance Quantity	Rate (Disc %)	Value Due on (overdue)
Sales Orders Outstanding:						
31-Aug-2009	SM/ORD-01	S.M. Mumtazuddin	10 Pcs	10 Pcs	2,400.00	24,000.00 31-Aug-2009 (62 days)
			10 Pcs	10 Pcs		24,000.00



Delivery Note Voucher

The **Delivery Note Voucher** is used for recording goods delivered to a customer. Goods delivered on account of sales are entered in Delivery Note voucher.

On 01-09-2009 the following goods were delivered to S. M. Mumtazuddin against the order RK/OR-01 from Ezra Street godown. The Challan number is NIT/CHL-501.

- (a) 12 Pcs Rock Mobile-E97 @ 8000
- (b) 10 Pcs Rock Mobile-M70i @ 6500
- (c) 8 Pcs Bluetooth Handset @ 2400.

This is a Challan for delivering goods. In Tally for entering Sales Challan necessary transaction type is **Dely Note** under **Inventory Vouchers**. You require to turn on the necessary option to activate Goods Delivery Note.

- 1) Gateway of Tally → F11: Features → Inventory Features.
- 2) Say 'Yes' to Use Tracking Numbers (Delivery/Receipt Notes) to generate Goods Receipt Note.

Additional Inventory Vouchers

Use Tracking Numbers (Delivery/Receipt Notes)	? Yes
Use Rejection Inward/Outward Notes	? Yes

- 3) Select **Inventory Vouchers** at Gateway of Tally → Click F8: Dely Note button (or Press ALT+F8) to get Delivery Note Voucher Screen.
- 4) The entry process is similar to Purchase Receipt entry, which we had discussed earlier.
- 5) Pass this entry tracking the order against the party. Every item here also should be tracked against the reference number given at the top of the voucher.

Inventory Voucher: Alteration Creation		New India Traders		Ctrl + M																
Delivery Note No. 1		Cost Centre/Classes:		1-Sep-2009																
Ref.: NIT/CHL-501				Tuesday																
Party's A/c Name: S.M. Mumtazuddin																				
Current Balance:																				
Sales Ledger: Sales																				
Name of Item	Quantity	Rate per	Amount																	
Rock Mobile-E97	12 Pcs	8,000.00 Pcs	96,000.00																	
Rock Mobile-M70i	10 Pcs	6,500.00 Pcs	65,000.00																	
Bluetooth Handset	8 Pcs	2,400.00 Pcs	19,200.00																	
			1,80,200.00																	
<table border="1"> <thead> <tr> <th colspan="4">Item Allocations for: Rock Mobile-E97</th> </tr> <tr> <th>Godown</th> <th>Quantity</th> <th>Rate per</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Ezra Street</td> <td>12 Pcs</td> <td>8,000.00 Pcs</td> <td>96,000.00</td> </tr> <tr> <td colspan="4">Tracking No.: NIT/CHL-501 Order No.: SM/ORD-01 Due on 31-Aug-2009</td> </tr> </tbody> </table>				Item Allocations for: Rock Mobile-E97				Godown	Quantity	Rate per	Amount	Ezra Street	12 Pcs	8,000.00 Pcs	96,000.00	Tracking No.: NIT/CHL-501 Order No.: SM/ORD-01 Due on 31-Aug-2009				
Item Allocations for: Rock Mobile-E97																				
Godown	Quantity	Rate per	Amount																	
Ezra Street	12 Pcs	8,000.00 Pcs	96,000.00																	
Tracking No.: NIT/CHL-501 Order No.: SM/ORD-01 Due on 31-Aug-2009																				
30 Pcs				1,80,200.00																
Narration: Being Goods delivered against order to S.M. Mumtazuddin.																				

After passing the Goods **Delivery Note Voucher**, the inventory books will automatically be updated. Check Stock Summary Report with Opening Balance, Inward and Outward Columns.

- 1) Gateway of Tally → Stock Summary.
- 2) Press F12: Configuration.
- 3) Say 'Yes' to the following option:

- a. Show Opening Balance
b. Show goods inwards
c. Show goods Outwards
d. Show Closing Balance.

Configuration	
Show Quantities	? Yes
Show Rates	? Yes
Show Values	? Yes
Show Opening Balance	? Yes
Show goods inwards	? Yes
Show goods outwards	? Yes
Show Closing Balance	? Yes
Show All Items (incl. zero balance)	? No

Stock Summary New India Traders Ctrl + M									
Particulars	New India Traders 1-Apr-2009 to 1-Nov-2009								
	Inwards			Outwards			Closing Balance		
	Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value
MOBILE	28 Pcs	3,657.14	1,02,400.00	36 Pcs	5,838.89	2,10,200.00	63 Pcs	996.83	62,800.00
Battery-BP6M							10 Pcs	700.00	7,000.00
Battery-PL5C							20 Pcs	400.00	8,000.00
Bluetooth Handset	10 Pcs	1,200.00	12,000.00	8 Pcs	2,400.00	19,200.00	7 Pcs	1,200.00	8,400.00
Data Cable							10 Pcs	600.00	6,000.00
Phone Car Kit							10 Pcs	300.00	3,000.00
Rock Mobile-E97	18 Pcs	5,022.22	90,400.00	18 Pcs	7,000.00	1,26,000.00	6 Pcs	5,066.67	30,400.00
Grand Total	28 Pcs		1,02,400.00	36 Pcs		2,10,200.00	63 Pcs		62,800.00

Pending Sales Order Report

- 1) You can check the **Pending Order quantity** from **Gate Way of Tally Display → Statement of Inventory → Sales Order Summary**. Zoom in the report to view the pending order quantity for each item.

Sales Order Summary			New India Traders		Ctrl + M		
Particulars			New India Traders				
			1-Apr-2009 to 1-Nov-2009 Sales Orders Outstanding				
			On Order				
			Quantity	Rate	Value		
MOBILE			2 Pcs	2,400.00	4,800.00		
Bluetooth Handset			2 Pcs	2,400.00	4,800.00		
Grand Total			2 Pcs		4,800.00		
Order Details			New India Traders				
Item: Bluetooth Handset			Ctrl + M				
Sales Orders(All Orders)			1-Apr-2009 to 1-Nov-2009				
Date	Order Number	Name of Party	Ordered Quantity	Balance Quantity	Rate (Disc %)	Value	Due on (overdue)
Sales Orders Outstanding:							
31-Aug-2009	SM/ORD-01	S.M. Mumtazuddin	10 Pcs	2 Pcs	2,400.00	4,800.00	31-Aug-2009
31-Aug-2009	Sales Order 1		10 Pcs				(62 days)
1-Sep-2009	Delivery Note 1		(-)8 Pcs				
			10 Pcs	2 Pcs		4,800.00	



Rejections In Voucher

This voucher is used for recording goods that are rejected and returned by the customer. For example, Customer returns the items that had previously been delivered in Challan.

To enter the **Rejections In Voucher**,

- From **F11: Inventory Features**, Enable the option **Use Rejection Inward / outward Notes**.

Suppose, out of the above goods delivered, 2 Pcs Rock Mobile-E97 was rejected by S.M.Mumtazuddin on 02-09-2009 due to broken seal against Challan number #NIT/CHL-501.

- Select **Inventory Vouchers at Gateway of Tally**, Click **F6: Rej In** button (or press **CTRL+F6**) to get **Rejections In** screen.
- The entry process is similar to Rejection Out entry, which we had discussed earlier.

Inventory Voucher Creation		New India Traders		2-Sep-2009 Wednesday	
Rejections In No. 1		Cost Centre/Classes : ■ Not Applicable			
Ledger Account		Customer's Name and Address			
S.M. Mumtazuddin		S.M. Mumtazuddin			
		Quantity	Rate per	Amount	
Name of Item					
Rock Mobile-E97		2 Pcs	8,000.00 Pcs	16,000.00	
Tracking No. : NIT/CHL-501 Order No. : SM/ORD-01 Due on 31-Aug-2009		Ezra Street 2 Pcs 8,000.00 Pcs 16,000.00			
		2 Pcs		16,000.00	
Narration: 2 Pcs Rock Mobile-E97 rejected by customer due to broken seal.					

Sales Pending Bill Report

- To check the Sales Bill Pending and note; the effect of the Rejection out.
- Go to **Gateway of Tally → Display → Statements of Inventory → Sale Bills Pending**.

Sales Bills Pending		New India Traders		Ctrl + M, X	
Sales Bills Pending		1-Apr-2009 to 1-Nov-2009			
Date	Tracking Number	Name of Item	Initial Quantity	Pending Quantity	Rate (Disc %) Value
Goods Delivered but Bills not Made :					
1-Sep-2009	NIT/CHL 501	Rock Mobile-E97	12 Pcs	10 Pcs	8,000.00 80,000.00
		To: S.M. Mumtazuddin			
	1-Sep-2009 Delv Note 1	12 Pcs @			8,000.00
	2-Sep-2009 Rej In 1	2 Pcs @			8,000.00
1-Sep-2009	NIT/CHL 501	Rock Mobile-M70i	10 Pcs	10 Pcs	6,500.00 65,000.00
		To: S.M. Mumtazuddin			
			8 Pcs	8 Pcs	2,400.00 19,200.00
1-Sep-2009	NIT/CHL 501	Bluetooth Handset	30 Pcs	28 Pcs	1,64,200.00
		To: S.M. Mumtazuddin			

Sale Bill Voucher

Sales Voucher is used to record the Sales transactions of the company. You can pass an entry using the Voucher mode or the Invoice mode where the calculations can be automated and the transactions can be fed into the system easily.

When a company sells goods on credit or cash, **Sales voucher** is used to record all the Sales transactions of the company.

Company sends a sale Bill (NIT/09-10/701) to S. M. Mumtazuddin on 01-10-2009 against the goods delivered.

- 1) To pass Sales Bill, go to **Gateway of Tally → Accounting Voucher → Press F8 key** or Click on **Sales Button** and pass the transaction as follows:
- 2) Select **Party name** to open the Delivery details window. Here you need to select the Challan number from the display list and accept the delivery details.

Despatch Details	
Delivery Note No(s) : NIT/CHL-501	dt. 1-Sep-2009
Despatch Dec. No. :	
Despatched through :	
Destination :	
Order Details	
Order No(s) : SM/ORD-01	dt. 31-Aug-2009
Mode/Terms of Payment :	
Other Reference(s) :	
Terms of Delivery :	
Buyer's Details	
Buyers : S.M. Mumtazuddin	
Address :	

Accounting Voucher Creation		New India Traders		Ctrl + M
Sales No. 1				1-Oct-2009
Ref. : NIT/09-10/701		Cost Centre/Classes : I Not Applicable		Thursday
Party's A/c Name : S.M. Mumtazuddin				
Current Balance :				
Sales Ledger : Sales				
Name of Item	Quantity	Rate per	Amount	
Item Allocations for : Rock Mobile-E97				
Rock Mobile-E97	10 Pcs	8,000.00 Pcs	80,000.00	
Rock Mobile-M70i	10 Pcs	6,500.00 Pcs	65,000.00	
Bluetooth Handset	8 Pcs	2,400.00 Pcs	19,200.00	
Tracking No. : NIT/CHL-501 Order No. : SM/ORD-01 Due on 31-Aug-2009				
Ezra Street 10 Pcs 8,000.00 Pcs 80,000.00				
			1,64,200.00	
Narration:			28 Pcs	1,64,200.00
Sales Bill issued to S.M.Mumtazuddin against the challan.				

- 3) Select an item to open **Item Allocations** screen, select proper Tracking number (Challan number), Godown and other details and accept the screen for each product.
- 6) When you finish allocating the products in the bill, you need to assign the bill number.
- 4) The following screen will appear for billing allocation. Select **New Ref** from the list of allocation type and type the reference number for the bill.

Bill-wise Details for : S.M. Mumtazuddin			
Upto: Rs. 1,64,200.00 Dr			
Type of Ref	Name	Due Date, or Credit Days (wef: 1-10-2009)	Amount Dr/ Cr
New Ref	NIT/09-10/701		1,64,200.00 Dr

- 5) Enter the narration for the sales voucher and press enter to save.



Credit Note Voucher Entry (Sales Return)

Credit Note voucher is entered to Credit Customer Account. Normally Credit Note is issued when sold goods are returned by customer (Sales Return) or in case of De-escalation in price etc.

The seller issued a Credit Note to the customer for Rebate etc.

S. M. Mumtazuddin returned 3 Pcs Bluetooth handset against the Bill Number NIT/09-10/701 due to least demand 02-10-2009.

Entry	Sales Return (Grouped under Sales Account)Dr	7200
	To, S.M.Mumtazuddin	7200

Company Operations set up for Credit Note

- Go to F11: Features → Accounting Features.

Invoicing	? Yes
Allow Invoicing	? Yes
Enter Purchases in Invoice Format	? Yes
Use Debit/Credit Notes	? Yes
Use Invoice mode for Credit Notes	? Yes
Use Invoice mode for Debit Notes	? Yes

- Say **Yes** to Use **Debit/Credit Notes** and **Use Invoice mode for Credit Notes** options to generate Credit Note voucher.

- Go to **Gateway of Tally → Accounting Vouchers → F8: Credit Note** (or Press **CTRL+F8**).

- If you do not get the screen as invoice format press **CTRL+V** to toggle between invoice & voucher mode.

Accounting Voucher Creation		New India Traders		Ctrl + M
Credit Note	No. 1	Cost Centre/Classes : [Not Applicable		2-Oct-2009 Friday
Ref. : CRN-201				
Party's A/c Name : S.M. Mumtazuddin				
Current Balance : 1,64,200.00 Dr				
Sales Ledger : Sales Return				
Name of Item	Quantity	Rate per	Pcs	Amount
Bluetooth Handset	3 Pcs	2,400.00	Pcs	7,200.00
	3 Pcs			7,200.00
Narration: Being 2Pcs Bluetooth Handset returned by S.M.Mumtazuddin due to least demand in the market.				
Bill-wise Details for : S.M. Mumtazuddin Upto: Rs. 7,200.00 Cr				
Type of Ref	Name	Due Date, or Credit Days (wef. 2-10-2009)	Amount	Dr/ Cr
Agst Ref	NIT/09-10/701		7,200.00	Cr

- Before saving the voucher, tally will ask for the bill allocation. The return should be adjusted against the previous bill. If the information is given against which bill the return is actually made, select '**Agst Ref**' and pick the bill from the list of bills. If no information is given, select On Account as reference type.
- Finally save the **Credit Note** voucher.

Sales Ledger Vouchers Report

- 1) Check the report for National Traders from **Gateway of Tally → Display → Accounts Book → Ledger**
- 2) Choose and enter **S.M.Mumtazuddin** ledger account to view ledger report.

Ledger Vouchers		New India Traders		Ctrl + M	
Ledger: S.M. Mumtazuddin				1-Oct-2009 to 1-Nov-2009	
Date	Particulars	Vch Type	Vch No.	Debit	Credit
1-10-2009	Sales	Sales	1	1,64,200.00	
2-10-2009	Sales Return	Credit Note	1		7,200.00
Opening Balance :					
Current Total :				1,64,200.00	7,200.00
Closing Balance :				1,57,000.00	

Profit & Loss Statement

The Profit & Loss Statement (popularly known as Profit & Loss Account) displays the figures of all Nominal Accounts and the Net Profit/Loss. Sales, Closing Stock, Direct and Indirect Income heads appear in the Income side; Opening Stock, Purchase, Direct and Indirect Expenses appear in the Expenditure side. Excess of Income over Expenditure is shown as Net Profit; Deficit is shown as Net Loss.

- 1) **Gateway of Tally → Profit & Loss Account**. Press **ALT+F1** for detailed view.

Profit & Loss A/c		New India Traders		Ctrl + M	
Particulars		New India Traders		New India Traders	
		1-Apr-2009 to 1-Nov-2009		1-Apr-2009 to 1-Nov-2009	
Opening Stock		1,00,000.00		Sales Accounts	1,57,000.00
MOBILE	1,00,000.00			Sales	1,64,200.00
Purchase Accounts		72,000.00		Sales Return	(-)7,200.00
Purchase	80,400.00			Sales Bills to Make	
Purchase Return	(-)8,400.00			Closing Stock	76,400.00
Purchase Bills to Come				MOBILE	76,400.00
Direct Expenses		400.00			
Carriage Inward	400.00				
Gross Profit c/o		61,000.00			
		2,33,400.00			2,33,400.00
Indirect Expenses		43,550.00		Gross Profit b/f	61,000.00
Bank Charges	250.00			Indirect Incomes	40,000.00
Conveyance Expenses	4,200.00			Dividend Received	40,000.00
Depreciation	12,000.00				
Loss on Sales of Assets	3,000.00				
Printing & Stationary	3,000.00				
Rent	12,000.00				
Salary	9,100.00				
Net Profit		57,450.00			
Total		1,01,000.00		Total	1,01,000.00

- 2) To show Profit & Loss Statement in Vertical format (Income Heads first followed by the Expenses heads), Set **Yes** at **Show Vertical Profit** at **F12: Configuration Options**.



Configuration	
Show Vertical Profit & Loss	? Yes ☐
Show Percentages	? No ☐
Appearance of Names	: Name Only
Scale Factor for Values	: Default

3) The Profit & Loss Account displayed in Vertical format.

Profit & Loss A/c		New India Traders	Ctrl + M X
Particulars		New India Traders 1-Apr-2009 to 1-Nov-2009	
Trading Account :			
Sales Accounts			1,57,000.00
Sales	1,64,200.00		
Sales Return	(-)7,200.00		
Sales Bills to Make			
Cost of Sales :			96,000.00
Opening Stock	1,00,000.00		
Add: Purchase Accounts	72,000.00		
Less: Closing Stock	76,400.00		
	95,600.00		
Direct Expenses	400.00		
Carriage Inward	400.00		
Gross Profit :			61,000.00
Income Statement :			
Indirect Incomes			40,000.00
Dividend Received	40,000.00		
			1,01,000.00
Indirect Expenses			43,550.00
Bank Charges	250.00		
Conveyance Expenses	4,200.00		
Depreciation	12,000.00		
Loss on Sales of Assets	3,000.00		
Printing & Stationary	3,000.00		
Rent	12,000.00		
Salary	9,100.00		
Nett Profit :			57,450.00

Day - 22

Class Exercise

Open your Company and pass the following transactions:

- 1) Received an order [Order No: NI/OR-301] on 31-07-2009 from **National Infosys** for the following goods, which can be dispatch from any godown.

AIWA-Home Theater	- 4 Pcs
DVD Player	- 4 Pcs
MP4 Payer	- 4 Pcs
- 2) Another order received [Order No: SE/OR-401] on 01-08-2009 from **Sumanta Electronics** for the following goods, which can be dispatch from any godown.

Wire	- 200 Mtr
DVD-Player	- 4 Pcs
MP4 Payer	- 6 Pcs
- 3) According to the Order No: NI/OR-301 goods have been delivered on 01-08-2009 from **Chowringhee Showroom** to **National Infosys** with the Challan No: SAF/CHL-101.
- 4) Goods delivered from **Joka** godown on 02-08-2009 against the Order No: SE/OR-401 to **Sumanta Electronics** with the Challan No: SAF/CHL-102.
- 5) Sale Invoice [Invoice No: SAF/09-10/301] has been sent to **National Infosys** against the Challan No: SAF/CHL-101 with the following rates on 31-08-2009.

AIWA-Home Theater	- ₹ 22,000
DVD Player	- ₹ 4800
MP4 Player	- ₹ 3200
- 6) **Sumanta Electronics** rejected 2 Pcs MP4 Player due to poor sound quality, which received at **Joka** godown on 31-08-2009 against the Challan No: SAF/CHL-102.
- 7) **National Infosys** returned 1 Pcs AIWA-Home Theater due to broken DVD-case, which received at **Chowringhee** showroom on 31-08-2009; the Invoice No: SAF/09-10/301 will be adjusted accordingly.
- 8) Sale Invoice [Invoice No: SAF/09-10/302] has been sent to **Sumanta Electronics** against the Challan No: SAF/CHL-102 with the following rates on 31-08-2009.

Wire	- 20
DVD-Player	- 4800
MP4 Payer	- 3200



Day - 23

LEARNING OBJECTIVES

- Discount column on Invoice
- Credit Limit
- Entry for free quantity
- Price List

Advance entries and for their configuration

In previous chapters you have completed the mail purchase and sales cycle in Tally. Besides that, there are lots of advance entries. To pass all these advance entries you need to make some changes in Accounts features window.

Let's start with few more advance entries.

Discount Column in Invoices

To enter Discount Rate against each item, Click **F11: Features → Inventory Features** and set **Yes** at Separate Discount Column in Invoice to enter Item wise Discount Rate at discount column in Sales, Purchase, and Debit & Credit Note entry in Invoice mode. The Net amount (Product Value less Discount) would be posted in the respective Sales or Purchase ledger account.

Invoicing

Allow Invoicing	? Yes
Enter Purchases in Invoice Format	? Yes
Use Debit/Credit Notes	? Yes
Use Invoice mode for Credit Notes	? Yes
Use Invoice mode for Debit Notes	? Yes
Separate Discount column on Invoices	? Yes

On 31-12-2009, Company sold 4 Pcs Rock Mobile-E97 @ 8500 from Highland Park godown in cash with 5% trade discount. Invoice Number- NIT/09-10/702.

Now, pass the entry in Sales Invoice mode (F8: Sales)

Accounting Voucher Creation		New India Traders		Ctrl + M
Sales	No. 2			31-Oct-2009
Ref.: NIT/09-10/702	Cost Centre/Classes: [Not Applicable]		Saturday	
Party's A/c Name: Cash				
Current Balance: 67,600.00 Dr				
Sales Ledger: Sales				
Name of Item	Quantity	Rate per	Disc. %	Amount
Item Allocations for : Rock Mobile-E97				
Rock Mobile-E97	4 Pcs	8,500.00 Pcs	5 %	32,300.00
Godown Quantity Rate per Disc. % Amount				
Tracking No.: [Not Applicable] Order No.: [Not Applicable]				
Highland Park	4 Pcs	8,500.00 Pcs	5 %	32,300.00
				32,300.00
4 Pcs				32,300.00
Narration: Being goods sold in cash with 5% trade discount.				

Customer Credit Limit

Normally management evaluates credit worthiness of a party considering factors like party's market reputation, solvency, turnover, payment behavior and determines how much credit can be safely granted to the party (termed as Credit Limit), it is the maximum allowed Outstanding Balance (i.e. Debit Balance of Customer ledger account) for each customer. When the balance reaches the Credit Limit, no more credit sale is allowed to the customer.

- 1) At Gateway of Tally, click **F11: Features → Accounting Features**.
- 2) Set **Yes** at **Maintain Budgets and Controls** to enter Customer credit limit.

Budgets & Scenario Management	
Maintain Budgets and Controls	? Yes
Use Reversing Journals & Optional Vouchers	? No

- 3) Consequently, you get the **Credit Limit** option at ledgers Menu (**Gateway of Tally Accounts Info → Ledgers**).

Gateway of Tally ... Accounts Info.		List of Groups	
Ledgers		Branch / Divisions	
Single Ledger		Sundry Creditors	
Create		Sundry Debtors	
Display			
Alter			
Multiple Ledgers			
Create			
Display			
Alter			
Credit Limits			
Quit			

Multi Ledger Limit Alteration		New India Traders		Ctrl + M	
Under Group		Sundry Debtors		1-Apr-2009 to 1-Nov-2009	
S.No.	Name of Ledger	Credit Limit	Credit Period		
1.	D.K.Sharma				
2.	Jhunnu Cafe				
3.	Rakesh Kumar				
4.	S.M. Mumtazuddin	2,00,000.00 Dr	2 Months		
				Accept ? Yes or No	

- 4) Now Select **Credit Limits** under **Multiple Ledgers** → Choose and enter **Sundry Debtors**.
- 5) Now, you enter Credit Limit and Credit Period against '**S.M.Mumtazuddin**' ledger.
- 6) Finally save the screen.

Credit Limit Warning

During Sales Voucher entry, if the balance for the ledger exceeds the Credit Limit set a warning message **Credit Limit Exceeded** would appear when you try to save the voucher.

On 02-11-2009, Company sold the following items to **S.M.Mumtazuddin** from **Hiland Park** godown:

- (a) 18 Pcs Battery-PL5C @ 800
- (b) 4 Pcs Bluetooth Handset @ 2500
- (c) Rock Mobile-E97 @ 10000. [Bill Number- NIT/09-10/703]



Accounting Voucher Creation Ctrl + M

New India Traders 2-Nov-2009
Monday

Sales No. 3 Cost Centre/Classes : [Not Applicable

Ref : NIT/09-10/703

Party's A/c Name : S.M. Mumtazuddin
Current Balance : 1,57,000.00 Dr Credit Limit: 2,00,000.00 Dr
Sales Ledger : Sales

Name of Item	Quantity	Rate per	Disc. %	Amount
Battery-PL5C	18 Pcs	800.00	Pcs	14,400.00
Bluetooth Handset	4 Pcs	2,500.00	Pcs	10,000.00
Rock Mobile-E97	2 Pcs	10,000.00	Pcs	20,000.00
				44,400.00

Error

Eh ?

Credit Limit
of 'S.M. Mumtazuddin'
2,00,000.00 Dr
exceeded !
(Current : 2,01,400.00 Dr)

1,57,0000+44400 = 2,01,000

24 Pcs

Narration:
Being goods sold to S.M.Mumtazuddin in credit.

- 1) You can now either reduce the voucher amount so that the balance does not exceed the Credit Limit or abandon the voucher entry and change the credit limit of the Party. Here we are reducing the sale of Bluetooth Handset quantity as 3 Pcs instead of 4 Pcs to avoid credit limit.

Accounting Voucher Creation Ctrl + M

New India Traders 2-Nov-2009
Monday

Sales No. 3 Cost Centre/Classes : [Not Applicable

Ref : NIT/09-10/703

Party's A/c Name : S.M. Mumtazuddin
Current Balance : 1,57,000.00 Dr Credit Limit: 2,00,000.00 Dr
Sales Ledger : Sales

Name of Item	Quantity	Rate per	Disc. %	Amount
Battery-PL5C	18 Pcs	800.00	Pcs	14,400.00
Bluetooth Handset	3 Pcs	2,500.00	Pcs	7,500.00
Rock Mobile-E97	2 Pcs	10,000.00	Pcs	20,000.00
				41,900.00

23 Pcs

Accept ?

Yes or No

Narration:
Being goods sold to S.M.Mumtazuddin in credit.

- 2) Finally save the Sales voucher.

Actual & Billed Quantity in Inventory Voucher

Sometimes, the Billed Quantity in Sales or Purchase Invoice may be different from the actual Received or Delivered Quantity. Common examples of such instances are Receipt or Delivery of Free Items and Samples.

- 1) To allow entry for the dual quantity (Billed Quantity and Actual Quantity) in Inventory, Click F11: Features → Inventory Features and set **Yes** at **Different Actual & Billed Quantity**.

Storage & Classification

Maintain Multiple Godowns	? Yes
Maintain Stock Categories	? Yes
Maintain Batch-wise Details (set Expiry Dates for Batches)	? No
Use different Actual & Billed Qty	? Yes

- 2) Consequently, you get two (2) columns for Quantity (Actual & Billed) instead of one Quantity column in inventory voucher entry. Enter the Actual & Billed Quantity in the respective columns.

On 02-11-2009, Company sold 3 Pcs Phone Car Kit @ 600 to Arvind Kumar, but charged for 2 Pcs under the scheme buys 2 and gets 1 absolutely free.

- 3) Pass the entry in Sales voucher and enter **3 Pcs at Actual Column** and **2 Pcs at Billed column**.

Accounting Voucher Creation		New India Traders		Ctrl + M
Sales	No. 4			2-Nov-2009
Ref.: NIT/09-10/704	Cost Centre/Classes: [Not Applicable			Monday
Party's A/c Name: Arvind Kumar				
Current Balance:				
Sales Ledger: Sales				
Name of Item	Quantity		Rate per Disc. %	Amount
	Actual	Billed		
Phone Car Kit	3 Pcs	2 Pcs	800.00 Pcs	1,600.00
Narration:				
Being sold Phone Car Kit under the scheme- buy 2 get 1 free.				
	3 Pcs	2 Pcs		1,600.00

- 4) The Item value is computed as per **Billed Quantity** while the stock is updated as per Actual Quantity.
- 5) Finally save the Sales Voucher.

Stock Voucher Report

- 1) Go to **Gateway of Tally → Display → Inventory Books**
- 2) Select Item '**Phone Car Kit**' from the display list to display **Stock Item Monthly Summary**.
- 3) Select and enter **November month** to view Stock Voucher report.

Stock Vouchers				New India Traders				Ctrl + M			
Stock Item: Phone Car Kit				1-Nov-2009 to 30-Nov-2009							
Date	Particulars	Vch Type	Vch No.	Inwards		Outwards		Closing			
				Quantity	Value	Quantity	Value	Quantity	Value		
1-11-2009	Opening Balance			10 Pcs	3,000.00			10 Pcs	3,000.00		
2-11-2009	Arvind Kumar	Sales	4			3 Pcs	1,600.00	7 Pcs	2,100.00		
Totals :				10 Pcs	3,000.00	3 Pcs	1,600.00	7 Pcs	2,100.00		



Price List

Many Organisations have different Price Lists for different class of buyers, for example, one Price List for Retail Customer and another for Wholesale Customer. Some Organisation also offer different discount on different volume. Tally provides you with the option of having multiple price lists.

Steps to set up for Price List

- 1) Click **F11:Features** → **Inventory Features**.
- 2) Say **Yes** to **Use Multiple Price Levels** option under **Sales Management** to get a screen to enter Price levels.

Sales Management	Company Price Levels
Use Multiple Price Levels ? Yes	1. Retailer 2. Wholesaler

- 3) Enter the name of price levels as **Retailer, Wholesaler, Institution** and etc.
- 4) Consequently, at **Inventory Info** menu you get Price List option activated through which you may enter the Rates for each Price Level.
- 5) Select **Price List** from **Gateway of Tally** → **Inventory Info** menu and select the **Price level**.
- 6) Select **Mobile** from the list of Group. Then select **Retailer** as the **Price Levels** from the list.

Gateway of Tally	
Inventory Info.	
Stock Groups	
Stock Categories	
Stock Items	
Units of Measure	
GoDowns	
Price List	→
Reorder Levels	
Voucher Types	
Quit	

Name of Group
List of Groups
All Items
MOBILE

- 7) Select item name **Data Cable** and specify quantity range, rate and discount.
- 8) Finally save the Price List screen.

Price List : MOBILE New India Traders Ctrl + M								
Under Group : MOBILE Price Levels								
Price Level : Retailer Retailer cable From: 2-Nov-2009								
S.No.	Name of	Quantities		Rate	Disc. % (if any)	Historical Details		Cost Price
		From:	Less than			Rate	Disc. %	
1.	Battery-BP6M							700.00/Pcs
2.	Battery-PL5C							400.00/Pcs
3.	Bluetooth Handset							1,200.00/Pcs
4.	Data Cable							600.00/Pcs
		5 Pcs	5 Pcs	950.00/Pcs				
		10 Pcs	10 Pcs	900.00/Pcs	5 %			
		10 Pcs		880.00/Pcs	5 %			
5.	Phone Car Kit							300.00/Pcs

Price List Linking at Customer Ledger Account

- 1) Now go to **Ledger creation/ alteration** screen of customer, you will notice a new field name **Price Level Applicable** is available.
- 2) Select the Price List you like to associate with the Party Account (Refer to figure below).
- 3) When you select the Party in Invoice entry, Tally proposes the linked price list for selection.

Ledger Alteration		New India Traders	
Name	: Arvind Kumar		
(alias)	:		
Notes	:		
Under	: Sundry Debtors (Current Assets)	Price Levels	
Pricing Level Applicable	: Retailer	☐ Not Applicable ☒ Retailer ☐ Wholesaler	
Maintain balances bill-by-bill	? Yes		
Default Credit Period	:		
Set Credit Limit	:		
Inventory values are affected	? No		
Cost centres are applicable	? No		

- 4) Having set the respective options and created the price list for the Price Levels, you can use the price list in Invoices.

On 02-11-2009 sold 6 Pcs Data Cable to Arvind Kumar from Ezra Street godown. Invoice Number –NIT/09-10/705.

- 5) Now Pass the entry in Sales Voucher (**Accounting Vouchers → F8: Sales**). During Invoice entry, after selection of party, the Price Level get selected automatically.



Gateway of Tally → Accounting vouchers → F8 : Sales

Accounting Voucher Creation		New India Traders		Ctrl + M	
Sales No. 5		2-Nov-2009		Monday	
Ref. : NIT/09-10/705		Cost Centre/Classes : I Not Applicable			
Party's A/c Name : Arvind Kumar		Price Level : Retailer			
Current Balance : 1,600.00 Dr					
Sales Ledger : Sales					
Name of Item	Quantity	Rate	per	Disc. %	Amount
Data Cable	6 Pcs	900.00	Pcs	5 %	5,130.00
					5,130.00
Narration:					
Being goods sold to the retailer name Arvind Kumar in credit.					

6) On selecting the **Item** at **Name of the Item** field, the Rate is carried from the Price List.

Note:

Rates carried from Price List cannot be changed. To enter Rate different from price list, select **Not Applicable at Price Level** field and enter the rate and discount as desired.

Day - 24

Class Exercise

Open your Company and pass the following transactions:

- 1) **Cash Sale** made to Mr. Rafiq on 01-09-2009 for the following goods which supplied from Chowringhee Showroom along with the following rates and allowed 5% trade discount. [Sales Invoice: SAF/09-10/303]
 2 Pcs AIWA-Home Theater @ ₹22000/-
 1 Pcs DVD-Player @ ₹4800
- 2) Purchase for use in the business new delivery van on credit from Auto Distributors Ltd ₹ 470,000 on 01-09-2009. [AD/MV/002]
- 3) Define a credit limit for **National Infosys** of ₹100,000.
- 4) Proprietor brought his own car into the business, the value of which is ₹ 300,000 on 01-09-2009.
- 5) Sold **5 Pcs Speaker @ 500** from **Chowringhee Showroom** to **National Infosys** on 01-09-2009 [Sales Invoice: SAF/09-10/304]. If you cannot save the sales invoice due to credit limit, then reduce the sale quantity of Speaker as **3 Pcs** instead of **5 Pcs** to avoid credit limit.
- 6) ₹103,000 received through cheque of SBI (Chq # 9003041) from **One-Stop Café** in full and final settlement of his account on 02-09-2009. The cheque is deposited in Allahabad Bank on the same day.
- 7) On 1.10.2009 company purchased new machinery for ₹ 55500 from Jaiswal Machineries Ltd.
- 8) On 1-10-2009 company sold old furniture for ₹ 6500 (WDV ₹ 8000) in cash.
- 9) On 1-12-2009 company has purchased 100 pcs speaker from Soni Infotech @ ₹ 412. Soni Infotech has given 1 DVD player as gift. [Purchase inv No: PUR_INV/0615]
- 10) Create the following price list for listed products.

Scheme Name: Special Sale offer				
Product Name	Qty	Rate	Discount	Free Gift
IC Chips	0-10	225	-	
	11-50	223	1%	
	51 on above	215		5
DVD Player	0-20	2900	-	
	21-50	2700	1.5%	
	51 and above	2000		5

- 11) Sun Electronics purchased 60 pcs of IC Chips and 40 pcs of DVD Player on 1-12-2009 as per the above scheme. Purchase invoice No, PUR_INV/0715.
- 12) Take a backup of your company



Day - 25

Class Exercise

Open your Company and pass the following transactions:

- 1) Paid ₹ 22,000 through cheque of Allahabad Bank (Chq #305204) to Calcutta Furniture on 02-09-2009 in full and final settlement of account.

* Company is giving another offer to his customer: 1 Pcs Speaker is absolutely free with every 10 Pcs of same product.

- 2) On 02-09-2009 Company sold 40 Pcs of Speaker @ ₹ 600 each to **Jyoti Electronics** from Dunlop godown.. [Sales Invoice: **SAF/09-10/305**]

- 3) Deposited ₹ 200,000 into Allahabad Bank from office cash on 02-09-2009.

- 4) Purchased the following goods from **Royal Traders** [Purchase Invoice: **RT/09-10/421**] on 02-09-2009. Goods are stored at Joka godown.

Item	Order Quantity	Received Quantity	Free Quantity	Rate
DVD-Player	10	12	2	3000
MP4 Player	10	12	2	1500

- 5) Set the following scheme (**Monsoon Hungama**) for MP4-Player to sale in cash through Price List, which will be applicable from September (goods is to be cleared from **Joka godown** only).

Item	Quantity	Rate	Trade Discount
MP4-Player	<5	5200	Nil
	<10	5100	2%
	>=10	5000	5%

- 6) On 02-09-2009, sold 20 Pcs MP4-Player in cash by the Scheme: **Monsoon Hungama** [Sales Invoice: **SAF/09-10/306**].

- 7) On 1.12.2009 Clear all dues of party, whose balance is less than ₹ 10000. Check report from day book.

- 8) On 2.12.2009 Receive all dues from Jyoti Electronics in cash.

- 9) On 31.12.2009 kept ₹ 10000 in cash and transfer the rest of the amount to CITI bank

- 10) On 31.12.2009 receive dues from national Infosys in cash.

Day - 26

LEARNING OBJECTIVES

- Voucher Class
- Use of Voucher Class
- Interest Calculation

Voucher Classes and Interest Calculation

Voucher Class is a pre-defined Voucher Type Profile that helps to automate and expedite voucher entry and minimize errors. Voucher Class enables the administrator to set the controls on the operators. Some of the uses of Voucher Class are:

- ❖ Automatically select a ledger account (or propose a specific ledger for quick selection) in voucher entry.
- ❖ Automatically round off figures as per rounding off rules.
- ❖ Automatically compute Tax, Duty and other allocations.

Voucher class ensures fast and correct data entry and provides more security (in many cases the data modification is prevented).

Voucher Class Creation

- 1) Gateway of Tally → Accounts Info → Voucher Types → Create
- 2) Select Create menu to open Voucher Type Creation screen.

Gateway of Tally Accounts Info. Voucher Types		Voucher Type Creation		New India Traders		
Create Display Alter Quit		Name : Cash Payment				
		(alias) :				
		General Type of Voucher : Payment Abbr. : Pymt		Printing Print after saving Voucher ? No		Name of Class Petty Cash
		Method of Voucher Numbering ? Automatic Use Advance Configuration ? No				
		Use EFFECTIVE Dates for Vouchers ? No Make 'Optional' as default ? No Use Common Narration ? Yes Narrations for each entry ? No				

- 3) Enter **Cash Payment** at **Name** field and then select **Payment** as **Types of Voucher**.
- 4) At **Name of Class** enter the Voucher Class Name (e.g. Petty Cash) and press enter key to open voucher class screen.



New India Traders		Ctrl + M
Class : Petty Cash		List of Ledger Accounts
If you wish to restrict the groups to which this class can be used, specify them here.		
Exclude these Groups	Include these Groups	☐ Not Applicable ☐ Axis ☐ Cash ☒ Petty Cash ☐ SCB ☐ Standard Chartered
End of List	Cash-in-Hand	
Specific Ledger for which this Class is created (e.g. Cash, or a Bank Account)		
Ledger Name		
<input checked="" type="text" value="Petty Cash"/>		

- At **Exclude these Groups** column, select the Account Group to be excluded in the Voucher.
- At **Include these Groups** column, select the Account Group to be included in the Voucher Class. Here, we have selected **Cash-in-Hand** group.
- At this field, you may select the Ledger Account which should be auto selected at the Header Account. Here, we have selected **Petty Cash** ledger account.
- The Above figure shows the **voucher class for Petty Cash**, in which only **Petty Cash** ledger will be allowed to be entered in header account of Payment Voucher.

Payment Voucher Entry with Classes

On 02-11-2009, Company made the following expenses through Petty Cash using voucher class:

(a) Postage & Telegram – ₹. 580/- ; (b) Miscellaneous Expenses – ₹. 1100/-

Entry	Postage & Telegram (Grouped under Indirect Expenses).....	Dr	580
	Miscellaneous Expenses (Grouped under Indirect Expenses)	Dr	1100
	To, Petty Cash		1680

- To pass the entry, go to **Accounting Voucher** → Click **F5: Payment** to display Voucher type pop-up window.

Voucher Type	
Name	: Cash Payment
Class	: Petty Cash
Cost Centre Class	: Not Applicable

Voucher Class List
☐ Not Applicable
☒ Petty Cash

- 2) Select **Voucher Type Name** as **Cash Payment** and **Class** as **Petty Cash** to open Cash Payment Voucher through Voucher Class. Now pass the entry as shown below.

Accounting Voucher Creation		New India Traders	Ctrl + M
Cash Payment No. 1	Voucher Class : Petty Cash		2-Nov-2009
	Cost Centre/Classes : Not Applicable		Monday
Account : Petty Cash			
Cur Bal: 5,320.00 Dr			
Particulars	Amount		
Postage & Telegram	580.00		
Cur Bal: 580.00 Dr			
Miscellaneous Expenses	1,100.00		
Cur Bal: 1,100.00 Dr			
	1,680.00		
Narration:			
Being Postage and Misc. Expenses paid through Petty cash.			

- 3) The above figure shows Payment Voucher entry using Voucher class.

Creating Sales Voucher Class

You can either alter the existing Sales Voucher Type or create a new voucher type based on their requirements.

- 1) Gateway of Tally → Account Info → Voucher Types → Alter
- 2) Select **Sales** from list of Voucher_Types to open Voucher Type Alteration screen.

Voucher Type Alteration		New India Traders
Name : Sales		
(alias) :		
General	Printing	Name of Class
Type of Voucher : Sales	Print after saving Voucher ? No	Cash Sales with Discount
Abbr. : Sale	Use for POS Invoicing ? No	
Method of Voucher Numbering ? Automatic	Default Print Title :	
Use Advance Configuration ? No	Declaration :	
Use EFFECTIVE Dates for Vouchers ? No		
Make 'Optional' as default ? No		
Use Common Narration ? Yes		
Narrations for each entry ? No		

- 3) You can change anything at the main screen as required, but it is recommended not to change anything. Just type the class name as **Cash Sales with Discount** and press enter.
- 4) The following screen will appear.

New India Traders					
Class : Cash Sales with Discount					
If you wish to restrict the groups to which this class can be used, specify them here.					
Exclude these Groups			Include these Groups		
[End of List			Cash-in-Hand		
Default Accounting Allocations for each Item in Invoice					
Ledger Name	Percentage %	Rounding Method	Rounding Limit	Override using Item Default ?	
Sales	100 %			No	
Additional Accounting Entries (e.g. Taxes / Other charges) to be added in Invoice					
Ledger Name	Type of Calculation	Value Basis	Rounding Method	Rounding Limit	Remove if Zero ?
Discount Allowed	On Total Sales	-5	Normal Rounding	1	Yes

- At **Exclude these Groups** column, select the Account Group to be excluded in the Voucher.
- At **Include these Groups** column, select the Account Group to be included in the Voucher Class. Here, we have selected **Cash-in-Hand** group.
- Under **Default Accounting Allocations for each Item in Invoice** head, select **Sales** at **Ledger Name** field and enter **100%** at **Percentage** field.
- Under **Additional Accounting Entries** head, select **Discount Allowed** at **Ledger Name** field; Select **On Total Sales** at **Type of Calculation** field; enter **(-5)** at **Value Basis** field; Select **Normal Rounding** at **Rounding Method** field and type **(1)** at **Rounding Limit** field.
- Finally save and exit from Voucher alteration screen.

Sales Invoice Entry using Class

- Now you can pass sales invoice using voucher class.

On 02-11-2009, sold 2 Pcs Bluetooth handset @ 2800 in cash from Highland Park godown. Invoice Number is # NIT/09-10/706.

- To pass the entry, go to Accounting Voucher → Click F8: Sales to display Voucher type pop-up window.

Voucher Type	
Name	: Sales
Class	: Cash Sales with Discount
Cost Centre Class	:

Voucher Class List	
	Not Applicable
	Cash Sales with Discount

- Select Voucher Type Name as Sales and Class as Cash Sales with Discount to open Sales Voucher through Voucher class. Now pass the entry as shown below.

Accounting Voucher: Creation		New India Traders		Ctrl + M: X
Sales	No. 6	Voucher Class : Cash Sales with Discount	2-Nov-2009 Monday	
Ref. :		Cost Centre/Classes : [Not Applicable		
Party's A/c Name : Cash		Price Level : [Not Applicable		
Current Balance : 99,900.00 Dr				
Name of Item	Quantity	Rate per	Disc. %	Amount
Bluetooth Handset	2 Pcs	2,800.00	Pcs	5,600.00
Discount Allowed		-5		(-)280.00
	2 Pcs			5,320.00
Narration: Being goods sold in cash with 5% cash discount.				

4) The above figure shows Sales Voucher entry using Voucher class.

Interest Calculation

Normally Interest is charged on Loans, Deposits and on overdue bills (bills not paid within due date).

HDFC Bank charge interest @ 7.5% p.a. on the loan amount as on 31-12-2009.

To activate Interest computation features, follow the steps:

- 1) Click **F11: Features** → **Accounting Features**

Outstandings Management	
Maintain Bill-wise Details (for Non-Trading A/cs also)	? Yes ? No
Activate Interest Calculation (use advanced parameters)	? Yes ? Yes

- 2) Set **Yes** at **Activate Interest Calculation** and **Use advanced parameters** option.
- 3) Press **F12** from **ledger creation/alteration** screen to get Ledger Configuration window. Set **Yes** at **Allow Advanced Entries in Masters** to activate Interest options.

Ledger Configuration	
Allow ALIASES along with Names	? Yes
Allow Language ALIASES along with Names	? No
Allow ADVANCED entries in Masters	? Yes
Add NOTES for Ledger Accounts	? Yes
Use ADDRESSES for Ledger Accounts	? Yes
Use CONTACT DETAILS for Ledger Accounts	? Yes

- 4) Now go to ledger Creation/Alteration screen, set **Yes** at **Activate Interest Calculation** for the respective ledger accounts for which you like to activate interest features.



Ledger Alteration		New India Traders		Total Op. Bal.	
Name : Loan From HDFC (alias) :				33,00,000.00 Dr 33,00,000.00 Cr	
Notes :					
Under : Secured Loans (Loans (Liability))		Name : Loan From HDFC Address :			
Inventory values are affected ? No Cost centres are applicable ? No Activate Interest Calculation ? Yes		Interest Parameters Rate : 7.50 % per Calendar Year on All Balances Applicable From: 1-Apr-2009 To: 31-Mar-2010 Rounding : Normal Rounding Limit : 1			
		Tax Information PAN / IT No. : Sales Tax No. : CST No. :			
Opening Balance (on 1-Apr-2009) : 4,00,000.00 Cr					

- At **Rate** field, enter Interest Rate (in %), numeric only (e.g. 7.7) - don't type % symbol.
 - At **Per** field, select the Period (per) for Interest Style pop-up for which the interest rate (entered in the preceding field) would be applicable. Here we have selected Calendar Year.
 - At **Applicable** field, specify **from** and to date for which interest is applicable. So type **01-04-2009** in **From** field and **31-03-2010** in **To** field.
 - At **Rounding** field, specify the rounding method as **Normal Rounding** and limit as 1.
- 5) After setting the Interest Parameters, save the ledger alteration screen.

Ledger Interest Statement Report

To check interest report, follow the given steps:

- Gateway of Tally → Statement of Accounts → Interest Calculations → Ledger
- Select Loan from HDFC ledger account and press enter to view interest report.
- Press ALT+F2 and specify the date range as 01-04-2009 to 31-12-2009.

Change Period	
From	: 1-4-2009
To	: 31-12-2009

Ledger Interest		New India Traders		1-Apr-2009 to 31-Dec-2009	
Ledger : Loan From HDFC					
Balance	From:	To:	Total Days	Rate %	Interest
4,00,000.00 Cr	31-Mar-2009	31-Dec-2009	275 days	7.50 %	22,603.00 Cr

- 4) After checking the interest report, pass the due Interest on Loan from HDFC in Journal Voucher mode.

Entry	Interest Paid (Under: Indirect Expenses)	Dr	22603
	To, Outstanding Int. on HDFC Loan (Under: Current Liabilities)		22603

Accounting Voucher - Creation		New India Traders		Ctrl + M
Journal	No. 4	Cost Centre/Classes : Not Applicable		31-Dec-2009 Thursday
Particulars	Debit	Credit		
Dr Interest Paid	22,603.00			
Cur Bal: 22,603.00 Dr				
Cr Outstanding Interest on HDFC Loan		22,603.00		
Cur Bal: 22,603.00 Cr				
Narration:	22,603.00	22,603.00		
Being interest charged on Loan from HDFC.				

Interest on Customer

The most common use of the interest calculation is calculating interest against the party. In most of the cases interest is calculated bill by bill and the chargeable interest normally added with the bill amount.

On 31-12-2009, Company charged 2% interest on outstanding bill of S.M.Mumtazuddin.

- 1) Now go to ledger Creation/Alteration screen, set **Yes** at **Activate Interest Calculation** for S.M.Mumtazuddin ledger accounts for which you like to activate interest features.

Ledger Alteration		New India Traders		Total Op. Bal.
Name	S.M. Mumtazuddin			33,00,000.00 Dr
(alias)				33,00,000.00 Cr
Notes :				
Under	Sundry Debtors (Current Assets)	Name	S.M. Mumtazuddin	
Pricing Level Applicable	Not Applicable	Address		
Maintain balances bill-by-bill	Yes	Interest Parameters Calculate Interest Transaction-by-Transaction ? Yes Override Parameters for each Transaction ? No		
Default Credit Period	2 Months			
Set Credit Limit	2,00,000.00 Dr	Rate : 2 % per Calendar Month on All Balances Applicability : Always Calculate From : Due Date of Invoice/Ref Rounding : Normal Rounding Limit : 1		
Inventory values are affected	No	Tax Information PAN / IT No. :		
Cost centres are applicable	No			
Activate Interest Calculation	Yes			
Opening Balance (on 1-Apr-2009) :				

- 2) Say **Yes** to Calculate Interest Transaction-by-Transaction. Enter rate as 2% per Calendar Month. At Applicability field, select Always and Calculate From field, select Due Date of Invoice/Ref.
- 3) Save the alteration screen.



Interest Receivable Report

To check interest report, follow the given steps:

- 1) Gateway of Tally → Statement of Accounts → Interest Calculations → Interest Receivable
- 2) Select **Sundry Debtors** and press enter to view **interest receivable** report.
- 3) Select **S.M.Mumtazuddin** ledger and press enter to view **Ledger Interest** report.
- 4) Press **ALT+F2** and specify the date range as **01-04-2009 to 31-12-2009**.

Ledger Interest		New India Traders		Ctrl + M x	
Ledger : S.M. Mumtazuddin				1-Apr-2009 to 31-Dec-2009	
Date	Ref. No.		Opening Amount	Pending Amount	Interest
1-Oct-2009	NIT/09-10/701		1,64,200.00 Dr	1,57,000.00 Dr	3,039.00 Dr
1,57,000.00 Dr	1-Dec-2009 31-Dec-2009 30 days 2 %	3,039.00 Dr			
			1,64,200.00 Dr	1,57,000.00 Dr	3,039.00 Dr

- 5) Interest report shows the Interest figures for information only and not posted to accounts. To post into account, you have to create a Debit Note or Journal Voucher for interest

Entry	S. M. Mumtazuddin	Dr	3039
	To, Interest Received (Under: Indirect Income)		3039

Interest Voucher Class

To create Debit Note for interest, you have to first calculate/get the interest figures. To create Interest Debit Note as per the Interest amount auto computed as per parameter set, create Interest Voucher Class.

- 1) To create an Interest Voucher class, go to **Accounts Info → Voucher Types → Create** to get Voucher type creation screen.

Voucher Type Creation		New India Traders	
Name	Interest on Debtors		
(alias)			
General		Printing	Name of Class
Type of Voucher	Debit Note	Print after saving Voucher	? No Interest
Abbr.	D/Note		
Method of Voucher Numbering	? Automatic		
Use Advance Configuration	? No	Class : Interest	
Use EFFECTIVE Dates for Vouchers	? No	Use Class for Interest Accounting ? Yes	
Make 'Optional' as default	? No	Amounts to be treated as Compound Interest ? Yes	
Use Common Narration	? Yes	If you wish to restrict the groups to which this class can be used, specify them here.	
Narrations for each entry	? No	Exclude these Groups	Include these Groups

- 2) Enter **Voucher Type Name** (e.g. Interest on Debtors); At **Type of Voucher** field, select **Debit Note**.
- 3) At **Name of Class** field, enter the name of Interest Class (e.g. Interest) to get **Voucher Class** entry screen.
- 4) Set **Yes** at the field **Use Class for Interest Accounting** to create Interest Class.
- 5) Set **Yes** at **Amounts to be treated as Compound Interest** to compute the Interest as **Compound Interest**, else set **No** (to compute simple interest). Save voucher type creation screen.

Debit Note Voucher Entry using Interest Voucher Class

Having created a Debit Note Voucher Class, you may enter a voucher using the voucher class.

- 1) **Accounting Vouchers** → Click **F9: Debit Note** button (or press **CTRL+F9**).
- 2) Select **Interest on Debtors** Voucher Type and then the Voucher Class as **Interest**.
- 3) After selecting the Party, you get the Bill Allocation screen.

Interest Details		New India Traders		Ctrl + M
Interest on Debtors No. 1		Voucher Class : Interest		31-Dec-2009
Ref. : DRN/INT-01		Cost Centre/Classes : Not Applicable		Thursday
Particulars	Debit	Credit		
Interest Details for : S.M. Mumtazuddin				
Name	List of Interest Bills			
	NIT/09-10/701 1-Dec-2009 (30 days) Balance 1,64,200.00 Dr Intra 3,039.00 Dr			

- 4) Select the **Outstanding Bills** for which you like to prepare **Interest Debit Note**, from the list of Interest Bills.
- 5) On selecting the Bill References, the Interest is computed as per the parameters set in the Party Ledger and the method (Simple or Compound) set in Voucher Class as shown in the Debit Note.

Accounting Voucher Creation		New India Traders		Ctrl + M
Interest on Debtors No. 1		Voucher Class : Interest		31-Dec-2009
Ref. : DRN/INT-01		Cost Centre/Classes : Not Applicable		Thursday
Particulars	Debit	Credit		
Dr S.M. Mumtazuddin	3,039.00			
Cur Bal: 2,01,939.00 Dr				
Cr Interest Received		3,039.00		
Cur Bal: 3,039.00 Cr				
Narration:	3,039.00	3,039.00		
Interest charged on customer due to non-payment of outstanding bill.				

- 6) **Save the Debit Note Voucher**. The Debit Note is then reflected in Ledger Outstanding report.
- 7) Go to **Gateway of Tally** → **Display** → **Statements of Accounts** → **Out standings** → **Ledger**.
- 8) Select **S. M. Mumtazuddin** ledger account to view **Ledger Out standings report**.

Ledger Outstandings		New India Traders		Ctrl + M	
Ledger: S.M. Mumtazuddin		1-Apr-2009 to 31-Dec-2009			
Date	Ref. No.	Opening Amount	Pending Amount	Due on	Overdue by days
1-Oct-2009	NIT/09-10/701	1,64,200.00 Dr	1,60,039.00 Dr	1-Dec-2009	30
1-Oct-2009	Sales 1	1,64,200.00 Dr			
	10 Pcs Rock Mobile-E97		8,000.00/Pcs		
	10 Pcs Rock Mobile-M70i		6,500.00/Pcs		
	8 Pcs Bluetooth Handset		2,400.00/Pcs		
2-Oct-2009	Credit Note 1	7,200.00 Cr			
	3 Pcs Bluetooth Handset		2,400.00/Pcs		
31-Dec-2009	Interest on Debtors 1	3,039.00 Dr (Interest -Compound)			



Day - 27

Class Exercise

Open your Company and pass the following transactions:

- 1) Prepare a new voucher type 'Cash Payment' in which only cash payment transaction is to be passed.
- 2) On 01-10-2009 the marketing personnel has submitted the final tour bill of ₹ 3700. Paid the balance amount in cash after adjusting the tour advance.
- 3) Prepare a Sales Voucher Class-**Stock Clearance Sale** (of Joka godown) where 40% discount will be allowed to the customer in case of Cash Sale only.
- 4) An advance of ₹30000 paid to Trinity Publisher in cash for advertisement in the cable network on 01-10-2009. Pass the entry using Cash Payment voucher.
- 5) Cash sale made to **Rajan Electronics** for the following goods on 02-10-2009 and he was benefited by the scheme: **Stock Clearance Sale** of Joka godown. [Sales Invoice: **SAF/307**].

Wire - 400 Mtr @ 25 /-
DVD-Player - 12 Pcs @ 5000/-

- 6) Create a **Voucher Class** under **Sales Voucher** type with the following specification.
 - a. Class Name : Credit Sales
 - b. Group : Include only Sundry Debtors
 - c. 2% of Sales amount transferred to Flood Relief Fund, but shouldn't be shown in invoice.
 - d. Total Bill will be rounded off to 1 rupee.
- 7) On 02-10-2009 following goods sold to **Jyoti Electronics** with the effect of above voucher class. [Sales Invoice: **SAF/09-10/308**].

ITEM	QUANTITY	GODOWN	RATE
DVD-Player	4 Pcs	Joka	5000
Wire	100 Mtr	Joka	25

- 8) Create a voucher class for bank payment only. Now onwards pass all bank payment transaction from this class only. Change all previous bank transaction from normal class to new voucher class.
- 9) On 31.12.2009 cash sales made to Joyram Electronics for following goods and he was benefited by the scheme : **Stock Clearance Sale**. Sale Invoice No: **SAL_INV/408**
- 10) Take a Backup of your company.

Day - 28

Class Exercise

Open your Company and pass the following transactions:

- 1) Your Company charged 10% interest as per calendar year on **National Infosys** and **Sumanta Electronics**, where interest will be calculated on Due Date of Invoice Reference.
- 2) Paid Shanker his salary for the month of ₹ 8,000 in cash on 31-10-2009.
- 3) Charge Simple Interest on National Infosys till 31-10-2009 [Ref No: INT/NI-001]. Interest amount should be rounded off to nearest rupee.
- 4) On 31-10-2009 ₹9000 is paid to Sunil Bose (the son of the proprietor) to meet his hostel expenses for the month.
- 5) Charge Compound Interest on Sumanta Electronics till 31-10-2009 [Ref No: INT/SE-002].
- 6) Deposit ₹100,000 in Allahabad Bank on 31-10-2009.
- 7) National Infosys paid ₹ 101,000 through cheque of ICICI Bank (Chq# 178001) in full and final settlement of his account on 31-10-2009. On the same day the cheque is deposited at Allahabad Bank.
- 8) On 01-11-2009 ₹ 460 is paid for printing Cash Memo.
- 9) **Mr. A. Sinha and Rohit Khurana** charged 12% interest on Loan till 31-12-2009. On the same day company cleared both the loan amount with interest through Allahabad Bank (Chq# 305205; 305206).
- 10) Take Backup of your company.

Day - 29

LEARNING OBJECTIVES

- Manufacturing
- Entries related with manufacturing

Manufacturing

So far we have discussed about trading. The items bought and sold are same. Today, we will discuss about assembling process in which the components are consumed to produce an assembled/finished product. So, the items bought (components) are different from items sold (finished product).

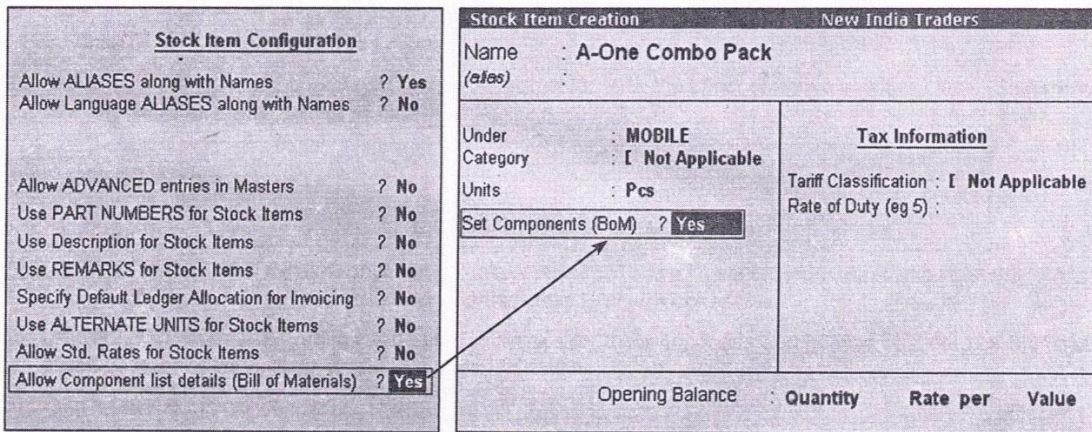
Bill of Materials

Bill of Materials (**BoM**) is a sketch of an assembled product showing the standard consumption of each component to produce a finished product.

For any assembled item, where some materials are consumed to produce a different product, the **BoM** may be created specifying the standard quantity for Production & Consumption. This sketch is used to create Manufacturing Journals used for control of materials issue and consumption in a production system.

Steps to Set Bill of Materials:

- 1) Press F12 from **Stock Item Creation** screen to open **Stock Item Configuration** screen.
- 2) Set **Yes** at **Allow Component list details (Bill of Materials)** to activate BoM features.



Stock Item Configuration

Allow ALIASES along with Names	? Yes
Allow Language ALIASES along with Names	? No
Allow ADVANCED entries in Masters	? No
Use PART NUMBERS for Stock Items	? No
Use Description for Stock Items	? No
Use REMARKS for Stock Items	? No
Specify Default Ledger Allocation for Invoicing	? No
Use ALTERNATE UNITS for Stock Items	? No
Allow Std. Rates for Stock Items	? No
Allow Component list details (Bill of Materials)	? Yes

Stock Item Creation New India Traders

Name : **A-One Combo Pack**

(alias) :

Under : **MOBILE**

Category : **[Not Applicable**

Units : **Pcs**

Set Components (BoM) ? **Yes**

Tax Information

Tariff Classification : **[Not Applicable**

Rate of Duty (eg 5) :

Opening Balance	Quantity	Rate per	Value
-----------------	----------	----------	-------

- 3) At the **Stock Item creation** screen, type name of the finished product as **A-One Combo Pack**, select proper **Stock Group** and **Stock Category**. At **Units** field, select **Pcs**.
- 4) Set **Yes** at **Set Components (BoM)**, as shown in figure below to get **BoM** entry screen.

Components of Unit of manufacture		A-One Combo Pack 1 Pcs
Item	Godown	Quantity
Battery-BP6M	Ezra Street	2 Pcs
Bluetooth Handset	Ezra Street	1 Pcs
Data Cable	Ezra Street	1 Pcs
Phone Car Kit	Ezra Street	1 Pcs
Rock Mobile-E97	Ezra Street	1 Pcs

- 5) At **BoM** entry screen, enter the details of Production / Consumption item as shown in the above figure.
- 6) Save the **Stock Creation Screen**.
- 7) You can use **BoM** in Manufacturing Journal only.
- 8) To create a Manufacturing Journal, go to **Gateway of Tally → Accounts Info → Voucher Types → Create**

Voucher Type Creation		New India Traders	
Name : Manufacturing Journal			
(alias) :			
General		Printing	Name of Class
Type of Voucher	: Stock Journal	Print after saving Voucher ? No	
Abbr.	: Mgf		
Method of Voucher Numbering	? Automatic		
Use Advance Configuration	? No		
Use EFFECTIVE Dates for Vouchers	? No		
Make 'Optional' as default	? No		
Use Common Narration	? Yes		
Use as a Manufacturing Journal	? Yes		

- 9) At **Name** field, enter **Manufacturing Journal**; At **Type of Voucher** field, select **Stock Journal**.
- 10) At **Abbr.** field, enter **Mfg.** and then Set **Yes** at **Use as a Manufacturing Journal**.
- 11) Finally save the Voucher Type Creation screen.
- 12) Before passing the **Manufacturing Journal**, you may require to purchase components necessary for production purpose.
- 13) Here, we are passing a purchase entry.

On 31-12-2009 purchase 5 Pcs Rock Mobile-E97 @ 5000 each in cash and stored in Ezra Street godown.



Accounting Voucher Creation		New India Traders		Ctrl + M X	
Purchase No. 3		Date : 31-Dec-2009		31-Dec-2009 Thursday	
Supplier Invoice No. : Pur/Inv/05		Cost Centre/Classes : I Not Applicable			
Party's A/c Name : Cash					
Current Balance : 1,05,220.00 Dr					
Purchase Ledger : Purchase					
Name of Item	Quantity	Rate	per	Disc. %	Amount
Rock Mobile-E97	5 Pcs	5,000.00	Pcs		25,000.00
	5 Pcs				25,000.00
Narration: Purchase 5 Pcs of Rock Mobile-E97 in cash required for production.					

- 14) Now to pass a Manufacturing Journal, select **Inventory Voucher** and click **F7: Stk Journal button** (or press **ALT+F7**). Now select the **Manufacturing Journal Voucher Type** to get the Manufacturing Journal entry screen.

Voucher Type	
Name	Manufacturing Journal
	List of Types
	Manufacturing Journal
	Stock Journal

Inventory Voucher Creation		New India Traders		Ctrl + M X	
Manufacturing Journal No. 1		1-Jan-2010 Friday		Manufacture of Materials	
Name of Product : A-One Combo Pack		Godown: Ezra Street		Qty 4 Pcs	
Name of Item	Godown	Quantity	Rate	Amount	
Battery-BP6M	Ezra Street	8 Pcs	700.00/Pcs	5,600.00	
Bluetooth Handset	Ezra Street	4 Pcs	1,200.00/Pcs	4,800.00	
Data Cable	Ezra Street	4 Pcs	600.00/Pcs	2,400.00	
Phone Car Kit	Ezra Street	4 Pcs	300.00/Pcs	1,200.00	
Rock Mobile-E97	Ezra Street	4 Pcs	5,000.00/Pcs	20,000.00	
		24 Pcs		34,000.00	
		Cost of Components :		8,500.00/Pcs	34,000.00
		Type of Addl. Cost		%-age	
		Packing Charges			1,200.00
		Total Addl. cost		:	1,200.00
		Effective Cost		:	35,200.00
		Effective Rate		:	8,800.00/Pcs
Narration: Assembled 4 Pcs A-One Combo Pack					

- 15) Select finished product at **Name of Product** field, specify **godown** and enter the **quantity** to produce in **Qty** field.
- 16) The cost of items consumed is computed and shown. Normally, additional expenses (like Packing charges, Labour charges etc) are incurred for the assembling process. Here you need to create a ledger name **Packing charges** online (by pressing **ALT+C**) and specify the amount used for assembling.
- 17) Manufacturing Journal is a pure Inventory Voucher. Only stock Items get affected. The Ledger account (Packing charges) entered in the Manufacturing Journal is not affected.
- 18) Now pass the **payment entry** for Packing Charges.

Accounting Voucher Creation		New India Traders	Ctrl + M
Payment	No. 8	Cost Centre/Classes : ■ Not Applicable	1-Jan-2010 Friday
Particulars	Debit	Credit	
Dr Packing Charges Cur Bal: 1,200.00 Dr	1,200.00		
Cr Cash Cur Bal: 79,020.00 Dr		1,200.00	
Narration: Being Packing Charges cleared in cash.	1,200.00	1,200.00	

Production & Consumption Report

- 1) Select **Display** → **Inventory Books** → **Movement Analysis** → **Transfer Analysis**
- 2) Select the **Manufacturing Journal** Type to get **Production & Consumption** report.

Name of Voucher
List of Voucher Types
Manufacturing Journal
Stock Journal

Transfer Analysis	New India Traders						Ctrl + M	x
Particulars			Manufacturing Journal New India Traders 1-Apr-2009 to 1-Jan-2010					
			Goods In (Production)			Goods Out (Consumption)		
			Quantity	Eff. Rate	Value	Quantity	Eff. Rate	Value
A-One Combo Pack			4 Pcs	8,800.00	35,200.00			
Battery-BP6M						8 Pcs	700.00	5,600.00
Bluetooth Handset						4 Pcs	1,200.00	4,800.00
Data Cable						4 Pcs	600.00	2,400.00
Phone Car Kit						4 Pcs	300.00	1,200.00
Rock Mobile-E97						4 Pcs	5,000.00	20,000.00
Grand Total			4 Pcs	8,800.00	35,200.00	24 Pcs	1,416.67	34,000.00

Cost Estimate Report

This report shows the list of **BoM** for Stock Items under the selected Stock Group.

- 1) Select **Display** → **Statement of Inventory** → **Cost Estimates** and Select a Stock group (Primary for all items).



Item Estimates		New India Traders		Ctrl + M
Items Under : MOBILE		as at 1-Jan-2010		
Particulars	Qty	Cost	Amount	
A-One Combo Pack	1 Pcs	8,513.79/Pcs	8,513.79	
Battery-BP6M	2 Pcs	700.00/Pcs	1,400.00	
Bluetooth Handset	1 Pcs	1,200.00/Pcs	1,200.00	
Data Cable	1 Pcs	600.00/Pcs	600.00	
Phone Car Kit	1 Pcs	300.00/Pcs	300.00	
Rock Mobile-E97	1 Pcs	5,013.79/Pcs	5,013.79	

You can also check Godown-Wise Stock Summary report:

- 2) Go to Display → Statements of Inventory → Godowns
- 3) Select a Godown from the display lists to view godown-wise stock summary report.

Godown Summary		New India Traders		Ctrl + M
Particulars		Ezra Street New India Traders 1-Apr-2009 to 1-Jan-2010		
		Closing Balance		
		Quantity	Rate	Value
MOBILE		13 Pcs	4,130.77	53,700.00
A-One Combo Pack		4 Pcs	8,800.00	35,200.00
Battery-BP6M		2 Pcs	700.00	1,400.00
Bluetooth Handset		1 Pcs	1,200.00	1,200.00
Phone Car Kit		3 Pcs	300.00	900.00
Rock Mobile-E97		3 Pcs	5,000.00	15,000.00
Grand Total		13 Pcs		53,700.00

Stock Adjustment Entry

Tally starts accounting with inventory integration, but in few cases we need to adjust stock separately.

Case Study-1

Pass the entry in Journal Mode.

Entry	Drawing A/c.....	Dr	8800
	To, Purchase		8800

Accounting Voucher Creation		New India Traders	Ctrl + M X
Journal	No. 5	Cost Centre/Classes : ■ Not Applicable	2-Jan-2010 Saturday
Particulars	Debit	Credit	
Dr Drawings	8,800.00		
Cur Bal: 1,58,800.00 Dr			
Cr Purchase		8,800.00	
Cur Bal: 96,600.00 Dr			
A-One Combo Pack 1 Pcs 8,800.00 Pcs 8,800.00			
Narration:	8,800.00	8,800.00	
Being goods taken by Proprietor's Son.			

Case Study-2

On 02-01-2009 2Pcs Phone Car Kit is stolen from Ezra Street godown.

- 1) Pass the accounting entry in Journal Mode.

Entry	Abnormal Loss A/c (Under: Indirect Expenses) Dr	600
	To, Stock Lost (Under: Direct Income)	600

Accounting Voucher Creation		New India Traders	Ctrl + M X
Journal	No. 6	Cost Centre/Classes : ■ Not Applicable	2-Jan-2010 Saturday
Particulars	Debit	Credit	
Dr Abnormal Loss	600.00		
Cur Bal: 600.00 Dr			
Cr Stock Destroyed		600.00	
Cur Bal: 600.00 Cr			
Narration:	600.00	600.00	
Being goods stolen from godown.			

- 2) Now you need to pass the stock adjustment entry in Stock Journal mode.

Inventory Voucher Creation				New India Traders					
Stock Journal		No. 2		2-Jan-2010 Saturday					
Transfer of Materials									
Source (Consumption)				Destination (Production)					
Name of Item	Godown	Quantity	Rate	Amount	Name of Item	Godown	Quantity	Rate	Amount
Phone Car Kit	Ezra Street	2 Pcs	300.00/Pcs	600.00	■ End of List				
		2 Pcs		600.00					
Narration: 2 Pcs Phone Car Kit is stolen from Ezra Street godown.								Accept ?	
								Yes or No	



Day - 30

Class Exercise

Open your company and pass the following transactions:

- 1) Cleared the full and final dues of Bengal Traders by issuing a cheque of Citi Bank (Chq #405306) of ₹65000 on 31-12-2009.
- 2) Purchased the following goods in cash from Bengal Traders and stored in Dunlop godown for production purpose on 01-01-2010. [Purchase Invoice: BT/09-10/601]

Wire	- 60 Mtr	@ 10
IC Chips	- 100 Pcs	@ 200
- 3) To produce a Television in Dunlop godown the following raw-material is required:

Cabinet	- 1 Pcs
Picture Tube	- 1 Pcs
IC Chips	- 20 Pcs
Wire	- 5 Mtr
Speaker	- 2 Pcs
- 4) Pass the entry to produce 10 Pcs Television in Dunlop godown with the following additional charges on 01-01-2010.

Heating & Lighting	- 2%
Labour Charges	- ₹2400

[Note: Make all payment entries for additional cost in cash]
- 5) Transfer 6 Pcs Television from Dunlop godown to Chowringhee showroom on 01-01-2010.
- 6) Bharat Traders and Royal Traders send a credit notes [Ref No: INT/BT-001 and Ref No: INT/RT-010 respectively] for interest amount till 02-01-2010, they have been charged at 2% interest as per Calendar Month.
- 7) Company cleared all the dues of Royal Trades including interest amount through Allahabad Bank (Chq# 305207) on 02-01-2010.
- 8) Cleared all the dues of Bharat Traders including interest amount through CITI Bank (Chq# 405307) on 02-01-2010.
- 9) Paid for Postage and stamps of ₹1143 in cash on 02-01-2010.
- 10) Take a backup of your company.

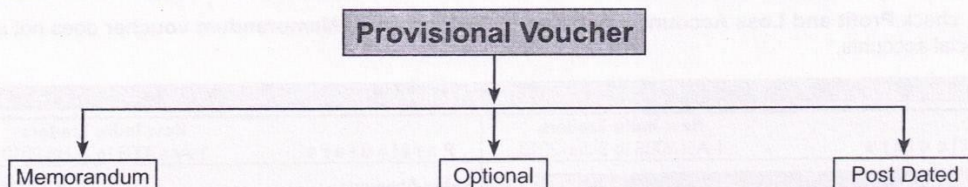
Day - 31

LEARNING OBJECTIVES

- Provisional entries
- Optional Vouchers

Provisional Vouchers

The **Provisional** Vouchers are the special vouchers that are used to record non-accounting transactions. Improper vouchers are mainly used to exclude unnecessary entries or provisional entries from the books of accounts and make them available for what if (future reports, projections, forecasts etc.) reports required at any given time.



These are sleeping vouchers and do not affect accounts on entry like regular vouchers.

Steps to set up for Optional and Memorandum Vouchers

- 1) Press **F11: Features** → **Accounting Features**
- 2) Set **Yes** at **Use Reversing Journals & Optional Vouchers**

Budgets & Scenario Management	
Maintain Budgets and Controls	? Yes
Use Reversing Journals & Optional Vouchers	? Yes

- 3) Finally **Save and exit** from Accounting Features by pressing **CTRL+A**.

Memorandum Voucher

Memo vouchers are resting vouchers and do not affect accounts until these are transformed into the any of the regular voucher type.

- 1) To enter Memorandum Voucher, select Accounting Vouchers and Click **F10: Memo** button (or press **CTRL+F10**) to get Memorandum Voucher entry screen.

Suppose on 02-01-2010, an accountant gave Sunil (a staff) Rs.700 to meet General Expenses for office use, but Sunil submits the bill of ₹.700 on 31-01-2010.

- 2) On 02-01-2010, you should pass a Memo Voucher for ₹700, because the accountant has no document to pass the transaction.



Accounting Voucher Creation		New India Traders	Ctrl + M
Memorandum	No. 1		2-Jan-2010 Saturday
		Cost Centre/Classes : ■ Not Applicable	
Particulars	Debit	Credit	
Dr General Expenses	700.00		
Cur Bal: 700.00 Dr			
Cr Cash		700.00	
Cur Bal: 78,320.00 Dr			
Narration:	700.00	700.00	
Being general expenses made in cash.			

- 3) Now, check **Profit and Loss Account**, you will notice that the above **Memorandum voucher** does not affect the financial accounts.

Profit & Loss A/c		New India Traders	Ctrl + M
Particulars	New India Traders 1-Apr-2009 to 2-Jan-2010	Particulars	New India Traders 1-Apr-2009 to 2-Jan-2010
Opening Stock	1,00,000.00	Sales Accounts	2,43,530.00
MOBILE	1,00,000.00	Sales	2,50,730.00
Purchase Accounts	88,200.00	Sales Return	(-)7,200.00
Purchase	96,600.00	Sales Bills to Make	
Purchase Return	(-)8,400.00	Direct Incomes	600.00
Purchase Bills to Come		Stock Destroyed	600.00
Direct Expenses	1,600.00	Indirect Incomes	43,039.00
Carriage Inward	400.00	Dividend Received	40,000.00
Packing Charges	1,200.00	Interest Received	3,039.00
Indirect Expenses	68,713.00	Closing Stock	45,100.00
Abnormal Loss	600.00	MOBILE	45,100.00
Bank Charges	250.00		
Conveyance Expenses	4,200.00		
Depreciation	12,000.00		
Discount Allowed	280.00		
General Expenses			
Interest Paid	22,603.00		
Loss on Sales of Assets	3,000.00		
Miscellaneous Expenses	1,100.00		
Postage & Telegram	580.00		
Printing & Stationary	3,000.00		
Rent	12,000.00		
Salary	9,100.00		
Nett Profit	73,756.00		
Total	3,32,269.00	Total	3,32,269.00

- 4) On **31-01-2010**, you need to convert the Memorandum voucher to Payment voucher to give effect to the financial accounts.
- 5) Go to **Display → Exceptional Reports → Memorandum Vouchers → Select month January**.
- 6) **Select and enter Memorandum Voucher** to display in **Alteration** mode.
- 7) Press **F5** to convert into **Payment** mode, change the date to **31-01-2010** and save the Payment Voucher.
- 8) Now, check **Profit and Loss Account report**, you will notice that the above Voucher affect the financial accounts.

New India Traders				Ctrl + M	
Profit & Loss A/c		New India Traders		New India Traders	
		1-Apr-2009 to 31-Jan-2010		1-Apr-2009 to 31-Jan-2010	
Particulars			Particulars		
Opening Stock		1,00,000.00	Sales Accounts		2,43,530.00
MOBILE	1,00,000.00		Sales	2,50,730.00	
Purchase Accounts		88,200.00	Sales Return	(-)7,200.00	
Purchase	96,600.00		Sales Bills to Make		600.00
Purchase Return	(-)8,400.00		Direct Incomes		600.00
Purchase Bills to Come		1,600.00	Stock Destroyed	600.00	
Direct Expenses			Indirect Incomes		43,039.00
Carriage Inward	400.00		Dividend Received	40,000.00	
Packing Charges	1,200.00		Interest Received	3,039.00	
Indirect Expenses		69,413.00	Closing Stock		45,100.00
Abnormal Loss	600.00		MOBILE	45,100.00	
Bank Charges	250.00				
Conveyance Expenses	4,200.00				
Depreciation	12,000.00				
Discount Allowed	280.00				
General Expenses	700.00				
Interest Paid	22,603.00				
Loss on Sales of Assets	3,000.00				
Miscellaneous Expenses	1,100.00				
Postage & Telegram	580.00				
Printing & Stationary	3,000.00				
Rent	12,000.00				
Salary	9,100.00				
Nett Profit		73,056.00			
Total		3,32,269.00	Total		3,32,269.00

Optional Voucher

Tally is an online system, as soon as you make a voucher entry, the relevant accounts are updated. However, there are situations where you like to enter voucher without giving its effect in any account (e.g. when you like a **Proforma sales voucher** or a **Proforma receipt** popularly known as Pre-receipt).

Optional Vouchers are also are sleeping vouchers but quite different from Memorandum Vouchers. Each type of Voucher may have its own Optional voucher. So, the characteristics & rules for Optional Voucher are similar to the character of voucher type it relates to.

Optional Vouchers are used to get rid of manual voucher and introduce computer generated voucher in real life.

- 1) To Pass **Proforma Sales Invoice**, go to Sales Invoice mode and pass the given Invoice. Mark the Sales Invoice as Optional by clicking **L: Optional** (or press **CTRL+L**) button.

Accounting Voucher Creation		New India Traders		Ctrl + M	
Sales	No. 7	Voucher Class : I Not Applicable		31-Jan-2010	
Ref. : NIT/09-10/707		Cost Centre/Classes : I Not Applicable		Sunday	
Party's A/c Name : D.K.Sharma		Optional		Price Level : I Not Applicable	
Current Balance : 35,000.00 Dr					
Sales Ledger : Sales					
Name of Item	Quantity	Rate	per Disc. %	Amount	
Rock Mobile-E97	2 Pcs	10,000.00	Pcs	20,000.00	
A-One Combo Pack	2 Pcs	8,800.00	Pcs	17,600.00	
Bluetooth Handset	1 Pcs	2,800.00	Pcs	2,800.00	
				40,400.00	
Narration:		5 Pcs		40,400.00	
Being Proforma Invoice issued to D.K.Sharma.					



- 2) Click **P:Print** button (or press ALT+P) to display Voucher Printing window.
- 3) Press **I: With Preview** button (or press ALT+I) to active Print Preview mode.

Voucher Printing		A4
Printer	: (Neo00:)	Paper Type :
No. of Copies	: 1	(Printing Dimensions)
Print Language	: English	Paper Size : (8.27" x 11.69") or (210 mm x 297 mm)
Method	: Neat Mode	Print Area : (8.27" x 11.69") or (210 mm x 297 mm)
Page Range	: All	
Report Titles PROFORMA INVOICE (with Print Preview)		
		Print ? Yes or No

- 4) Press enter key to print Proforma Invoice. (Refer to figure below).

PROFORMA INVOICE						
New India Traders 23-B, N. S. Road Security House Kolkata E-mail : newindia@traders.com		Invoice No. 7		Dated 31-Jan-2010		
		Delivery Note		Mode/Terms of Payment		
		Supplier's Ref. NIT/09-10/707		Other Reference(s)		
Buyer D. K. Sharma 27, Karl MAx Sarani Khidderpore		Buyer's Order No.		Dated		
		Despatch Document No.		Dated		
		Despatched through		Destination		
		Terms of Delivery				
SI No.	Description of Goods	Quantity	Rate	per	Disc. %	Amount
1	Rock Mobile - E97	2 Pcs	10,000.00	Pcs		20,000.00
2	A-One Combo Pack	2 Pcs	8,800.00	Pcs		17,600.00
3	Bluetooth Handset	1 Pcs	2,800.00	Pcs		2,800.00
Total		5 Pcs				40,400.00
E & O E						
Amount Chargeable (in words) Rs. Forty Thousand Four Hundred Only						
Declaration We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.						for New India Traders Authorised Signatory
This is a Computer Generated Invoice						

Post-Dated Vouchers

You can post-date a voucher during entry so that tally would not update the accounts until the date has arrived. This is useful when you issue or receive postdated cheques to reflect into the party outstanding statement for tracking.

- 1) To create **Post Dated Voucher**, during voucher entry, Click **T: Post Dated** button (or press **CTRL+T**). A postdated flag appears in the Voucher Screen as indication.

Accounting Voucher Creation		New India Traders	Ctrl + M	
Payment	No. 10		2-Feb-2010	Tuesday
		Cost Centre/Classes : ■ Not Applicable		
		Post-Dated		
Particulars	Debit	Credit		
Dr Bharat Traders				
Cur Bal: 0.00 Dr	15,000.00			
Agst Ref BT/08-09/945 1 Months (1-Apr-2009) 15,000.00 Dr				
Cr Axis		15,000.00		
Cur Bal: 2,72,650.00 Dr				
Narration:				
Ch. No. :#200105. Paid a post dated voucher	15,000.00	15,000.00		

- 2) Save the Post Dated Payment voucher.
- 3) Check the Outstanding Receivable & Payables report shows Post Dated Cheque until the Post Dated Cheque is regularized. (Display → Statements of Accounts → Outstanding → Receivables.)
- 4) Press **F12** to open **Configuration** screen and set **Yes** to Include Post-Dated Transactions.

Configuration	
Include Post-Dated Transactions	? Yes
Show Opening Amount	? No
Show overdue using Bill Date	? No
Range of Bills to show	: Pending Bills
Show Qty Info in Detailed Format	? Yes
Appearance of Names	: Name Only
Sorting Method	: Default

Bills Outstanding		New India Traders	Ctrl + M	
Bills Payable			1-Apr-2009 to 31-Jan-2010	
Date	Ref. No.	Partys' Name	Pending Amount	Post-Dated Amount
1-Mar-2009	BT/08-09/945	Bharat Traders		
1-Mar-2009	Opening Balance		15,000.00	15,000.00 Dr
2-Feb-2010	Payment 10			15,000.00 Dr Post-Dated
1-May-2009	GE/SALE/001	Genuine Electronics		
1-May-2009	Purchase 1		40,000.00	40,000.00 Cr
1-May-2009	Adv/001	Rakesh Kumar		
1-May-2009	Receipt 2		12,000.00	12,000.00 Cr
1-Aug-2009	NT/08-09/201	National Traders		
1-Aug-2009	Purchase 2		72,000.00	72,000.00 Cr
	12 Pcs Rock Mobile-E97			5,000.00/Pcs
	10 Pcs Bluetooth Handset			1,200.00/Pcs
	14 Pcs Data Cable			600.00/Pcs
2-Aug-2009	Debit Note 1		8,400.00	8,400.00 Dr
	14 Pcs Data Cable			600.00/Pcs
			1,39,000.00	15,000.00 Dr 1,24,000.00 Cr



- 5) When the cheque gets matured, at Voucher Alteration screen, Click **Current toggles button** (or press **CTRL+T**). The Post Dated flag will get removed and the voucher gets regularized.

Accounting Voucher Alteration (Secondary)		New India Traders	Ctrl + M	
Payment	No. 10		2-Feb-2010	
		Cost Centre/Classes :	Tuesday	
Particulars		Debit	Credit	
Dr Bharat Traders		15,000.00		
Cur Bal: 15,000.00 Cr				
Agst Ref BT/08-09/945 1 Months (1-Apr-2009)	15,000.00 Dr			
Cr Axis			15,000.00	
Cur Bal: 2,87,650.00 Dr				
Narration:		15,000.00	15,000.00	
Ch. No. :#200105. Paid a post dated voucher				

Day - 32

Class Exercise

Open your company and pass the following transactions:

- 1) Sold 4 Pcs Television to **National Infosys** from Chowringhee showroom @ 13600 on 02-01-2010 [Sales Invoice: SAF/309].
- 2) Company made an Investment on NSC of ₹250,000 through CITI Bank (Chq # 405308) on 02-01-2010.
- 3) Accountant has given Rajesh (a peon) ₹1200 to buy printing stationary for office use on 02-01-2010, but Rajesh did not submit the bill on the same day.
- 4) Company received a postdated cheque of ₹ 89,800 (Chq# 890301 of Bank of India; Cheque dated: 02-02-2010) from Sumanta Electronics on 02-01-2010.
- 5) Received Interest of ₹1498 from CITI Bank on 31-01-2010.
- 6) Issue a Proforma Invoice to **Sumanta Electronics** for selling the following goods from Chowringhee showroom 31-01-2010 [Sales Invoice: SAF/09-10/310].

Television	- 2Pcs	@ 13600
Speaker	- 5Pcs	@ 600
Mp4-Player	- 2Pcs	@ 5000
- 7) Take a backup of your company.



Day - 33

LEARNING OBJECTIVES

- Tally collaborative features

Tally collaborative features

Export of Data

The data you enter in Tally becomes the ultimate treasure of your business. All critical information related to your customers, vendors, products you deal with, who buy-what, from whom you bought are regularly stored in Tally; therefore Tally becomes the nerve Centre of your business.

In a geographically dispersed business scenario, such data may flow-in from various subsidiaries like Branches, Workshops, Sales Offices and etc. Using Tally's Export/Import option, it is possible to extract data from one system and import the same in another system to update information centrally (like HO).

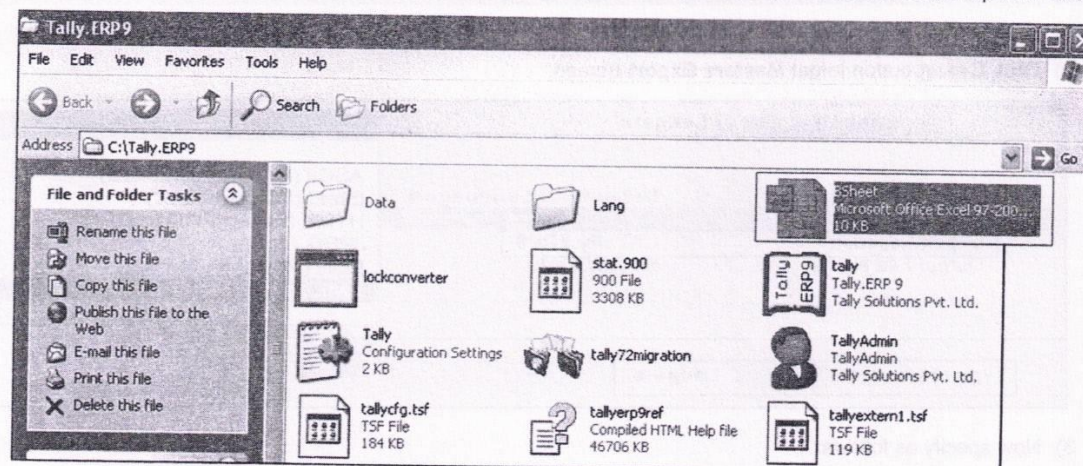
Exporting Balance Sheet Report in Excel Format

- 1) Open **Balance Sheet** from **Gateway of Tally**.
- 2) Click **E: Export** button (or press **ALT+E**) to open **Exporting Balance Sheet** window.

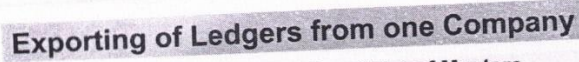
Exporting Balance Sheet		Format
Language	: Default (All Languages)	ASCII (Comma delimited)
Format	: Excel (Spreadsheet)	Excel (Spreadsheet)
Export Location	: C:\Tally.ERP9	HTML (web-publishing)
Output File Name	: BSheet.xls	JPEG (Image)
Output Sheet Name	: Balance Sheet	PDF (Portable Document Format)
Update existing file	: Yes	XML (data interchange)
Excel (Spreadsheet) Formatting	: Yes	
with Colour	: No	
Scale Factor for Values	: Default	
Format	: Detailed	
Show Vertical Balance Sheet	? No	
Profit or Loss, both as Liability	? No	
Show Percentages	? No	
Show Working Capital figures	? No	
Method of showing Balance Sheet	? Liabilities / Assets	

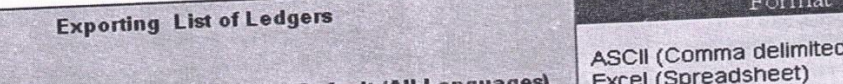
- 3) Press **Backspace** key and choose the following options.
 - (a) Language : Default (All Languages)
 - (b) Format : Excel (Spreadsheet)
 - (c) Export Location : C:\Tally.ERP9
 - (d) Excel (Spreadsheet) Formatting : Yes
 - (e) Format : Detailed
- 4) Keep pressing enter key, until you get a Confirmation prompt '**Export Yes/No?**'. Press **Y** or **enter** to export the Balance Sheet.

- 5) Go to Export Location (C:\Tally.ERP 9) and double-click on **BSheet** file to open Balance Sheet report in Excel.



	A	B	C	D	E	F
1		New India Traders			New India Traders	
2	Liabilities	as at 31-Jan-2010		Assets	as at 31-Jan-2010	
3	Capital Account		1891200.00	Fixed Assets		1800000.00
4	Reserves & Surplus	850000.00		Computer		
5	Capital	1200000.00		Furniture	100000.00	
6	Drawings	-158800.00		Goodwill	500000.00	
7	Loans (Liability)		400000.00	Land & Building	800000.00	
8	Secured Loans	400000.00		Machinery	400000.00	
9	Current Liabilities		459603.00	Investments		400000.00
10	Provisions			Investment in Bonds	400000.00	
11	Sundry Creditors	127000.00		Current Assets		1123859.00
12	Outstanding Expenses	120000.00		Closing Stock	45100.00	
13	Bill Payable	190000.00		Sundry Debtors	256669.00	
14	Outstanding Interest on HDFC Loan	22603.00		Cash-in-hand	83640.00	
15	Profit & Loss A/c		573056.00	Bank Accounts	483450.00	
16	Opening Balance	500000.00		Prepaid Expenses	5000.00	
17	Current Period	73056.00		Bill Receivable	250000.00	
18	Total		3323859.00	Total		3323859.00



- 2) Click **Export** button to get **Masters Export Screen**.
- 
- Exporting List of Ledgers**
- Language : **Default (All Languages)**
- Format : **XML (data interchange)**
- Export Location : **C:\Tally.ERP9**
- Output File Name : **Master.xml**
- Type of Masters : **Ledgers**

- ### Importing of Ledgers to another Company

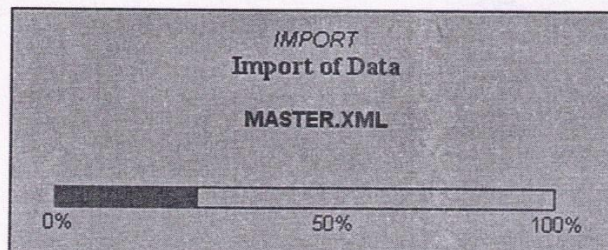
-
- 2) Select Import of Data from Gateway to Tally
- The screenshot shows the Tally software interface. The main window displays the 'Gateway of Tally' menu with options like 'Current Period', 'Current Date', 'List of Selected Companies', 'Name of Company', 'Date of Last Entry', 'Saf Traders', 'No Vouchers Entered', 'Masters', 'Transactions', 'Import', and 'Import of Data'. The 'Import of Data' option is highlighted. A secondary window titled 'Gateway of Tally ...' is open, showing the 'Import of Data' submenu with options like 'Masters', 'Vouchers', and 'Quit'. The 'Masters' option is selected in this submenu.

- | Import of Masters
(Only Tally (XML) Format is Supported) | | Behaviour |
|---|--------------|---|
| Import File Name (XML) | : MASTER.XML | Combine Opening Balances
Ignore Duplicates |
| Treatment of entries already existing | : | Modify with new data |

4) Now specify as follows:

- (a) Import File Name (XML) : Type MASTER.XML
 (b) Treatment of entries already existing : Modify with new data

5) Press **enter** key to proceed with import of data.



6) Now go to **Gateway of Tally → Accounts Info → Alter under Multiple Ledgers**

7) Select **All Items** to display **multi ledger alteration** screen.

Multi Ledger Alteration				Ctrl + M	X
Under Group : ■ All Items		Saf Traders		For 1-Apr-2009	
S.No.	Name of Ledger	Under	Opening Balance	Dr	Cr
1.	Abnormal Loss	Indirect Expenses			
2.	Arvind Kumar	Sundry Debtors			
3.	Axis	Bank Accounts	3,00,000.00	Dr	
4.	Bank Charges	Indirect Expenses			
5.	Bharat Traders	Sundry Creditors	40,000.00	Cr	
6.	Bill Payable	Current Liabilities	1,90,000.00	Cr	
7.	Bill Receivable	Current Assets	2,50,000.00	Dr	
8.	Capital	Capital Account	12,00,000.00	Cr	
9.	Capital Reserve	Reserves & Surplus	2,50,000.00	Cr	
10.	Carriage Inward	Direct Expenses			
11.	Cash	Cash-In-Hand	60,000.00	Dr	
12.	Computer	Fixed Assets			
13.	Conveyance Expenses	Indirect Expenses			
14.	Depreciation	Indirect Expenses			
15.	Discount Allowed	Indirect Expenses			
16.	Dividend Received	Indirect Incomes			
17.	D.K.Sharma	Sundry Debtors	35,000.00	Dr	
18.	Drawings	Capital Account	1,50,000.00	Dr	
19.	Furniture	Fixed Assets	1,00,000.00	Dr	
20.	General Expenses	Indirect Expenses			

8) Click **Z: Zero Op Bal** button (or press **ALT+Z**) to remove opening balances from ledger accounts.



Multi Ledger Alteration		Saf Traders	Ctrl + M
Under Group : All Items			For 1-Apr-2009
S.No.	Name of Ledger	Under	Opening Balance Dr/Cr
1.	Abnormal Loss	Indirect Expenses	
2.	Arvind Kumar	Sundry Debtors	
3.	Axis	Bank Accounts	
4.	Bank Charges	Indirect Expenses	
5.	Bharat Traders	Sundry Creditors	
6.	Bill Payable	Current Liabilities	
7.	Bill Receivable	Current Assets	
8.	Capital	Capital Account	
9.	Capital Reserve	Reserves & Surplus	
10.	Carriage Inward	Direct Expenses	
11.	Cash	Cash-in-Hand	
12.	Computer	Fixed Assets	
13.	Conveyance Expenses	Indirect Expenses	
14.	Depreciation	Indirect Expenses	
15.	Discount Allowed	Indirect Expenses	
16.	Dividend Received	Indirect Incomes	
17.	D.K.Sharma	Sundry Debtors	
18.	Drawings	Capital Account	
19.	Furniture	Fixed Assets	
20.	General Expenses	Indirect Expenses	

9) Finally Save Multi Ledger Alteration screen by pressing **CTRL+A**.

Copying ledgers from one company to another?

Ledger can be copied through Import and Export, but there is a very simple method to copy masters and entries.

- 1) Open Two Companies (New India Traders & Saf Traders) simultaneously → Select **Saf Traders** as your Source Company.

Gateway of Tally

Current Period
14-2009 to 31-3-2010

Current Date
Thursday, 31 Dec, 2009

List of Selected Companies

Name of Company	Date of Last Entry
Saf Traders	31-Dec-2009
New India Traders	31-Jan-2010
Saf Traders	31-Dec-2009

Gateway of Tally

Accounts Info.

Ledgers

Single Ledger

Create
Display
Alter

Multiple Ledgers

CRate
Display
ALTER
Credit Limits
Quit

- 2) Then go to **Accounts Info** → **Alter** (Single Ledger) → Select ledger **Suman Traders** to open in Ledger Alteration mode.

Ledger Alteration		Saf Traders		Total Op. Bal.
Name	: Suman Traders			
(alias)	:			
Notes :				
Under	: Sundry Debtors (Current Assets)	Name	: Suman Traders	
Maintain balances bill-by-bill	? Yes	Address	: 30 Ganesh Chandra Avenue Star Mansion	
Default Credit Period	: 30 Days	State	: West Bengal	
Inventory values are affected	? No	PIN Code	: 700001	
		Contact Person	: Jayanta Sinha	
		Telephone No.	: 033-22318978	
		Fax	: 033-22318977	
		E-Mail	: jay@hotmail.com	

- 3) Click **F3: Company** (or press F3) and select Target Company (New India Traders) and press enter to proceed with new data into the Target company.

Saf Traders	
Change Current Company	
Saf Traders	
List of Companies	
New India Traders	(10001)
Saf Traders	(10000)

Ledger Alteration		New India Traders		Total Op. Bal.
Name	: Suman Traders			
(alias)	:			
Notes :				
Under	: Sundry Debtors (Current Assets)	Name	: Suman Traders	
Pricing Level Applicable	:	Address	: 30 Ganesh Chandra Avenue Star Mansion	
Maintain balances bill-by-bill	? Yes	State	: West Bengal	
Default Credit Period	: 30 Days	PIN Code	: 700001	
Set Credit Limit	:	Contact Person	: Jayanta Sinha	
Inventory values are affected	? No	Telephone No.	: 033-22318978	
Cost centres are applicable	? No	Fax	: 033-22318977	
Activate Interest Calculation	? No	E-Mail	: jay@hotmail.com	
				33,00,000.00 Dr
				33,00,000.00 Cr

- 4) Finally **save** the **Ledger Alteration** screen by pressing **CTRL+A**.

Copying Voucher from one company to another?

Before proceeding further ledger needs to be created first.

- 1) Open **Two Companies** (**New India Traders & Saf Traders**) simultaneously → Select **Saf Traders** as your Source Company.



- 2) Then go to **Display → Day Book → Select a Particular Voucher** to open in Voucher Alteration mode.

Accounting Voucher Alteration (Secondary)		Saf Traders	Ctrl + M
Receipt No. 1		31-Dec-2009	
		Thursday	
Particulars	Debit	Credit	
Cr Suman Traders		15,000.00	
Cur Bal: 15,000.00 Cr			
Advance Adv/001 30 Days 15,000.00 Cr			
(30-Jan-2010)			
Dr Cash	15,000.00		
Cur Bal: 15,000.00 Dr			
	15,000.00	15,000.00	
Narration: Being advance received for selling 5Pcs MaXX mobile @ 3000 each.			

F1: Inventory Buttons

F2: Date

F3: Company

F4: Contra

F5: Payment

F7: Journal

F8: Sales

- 3) Press **F3: Company** and from the **List of Companies**, Select **New India Traders** to change to **Current Company** and press **Enter**.

Saf Traders	
Change Current Company	
Saf Traders	
List of Companies	
New India Traders	(10001)
Saf Traders	(10000)

Accounting Voucher Alteration (Secondary)		New India Traders	Ctrl + M
Receipt No. 3		31-Dec-2009	
		Thursday	
Particulars	Debit	Credit	
Cr Suman Traders		15,000.00	
Cur Bal: 15,000.00 Cr			
Advance Adv/001 30 Days 15,000.00 Cr			
(30-Jan-2010)			
Dr Cash	15,000.00		
Cur Bal: 93,120.00 Dr			
	15,000.00	15,000.00	
Narration: Being advance received for selling 5Pcs MaXX mobile @ 3000 each.			

- 4) The Voucher Screen displays **New India Traders**. Save the voucher entry, it is updated in New India Traders Company.

Confirmation of Accounts

Confirmation Statements is used to send confirmation of account balance to customers, suppliers, lenders and borrowers.

- 1) To print Confirmation of Accounts, go to **Gateway of Tally → Press F12: Configuration → Printing → Confirmation Statements** to display **Confirmation of A/cs' Configuration**.

Confirmation of A/cs' Configuration	
Space to leave on top (default 0.5 inch) :	0.50
Titling for 'Subject' in Letter	: Confirmation of Accounts
Information in First Paragraph	: Given below is the details of your Accounts as standing in my/our Books of Accounts for the above mentioned period.
Information in Second Paragraph	: Kindly return 3 copies stating your I.T. Permanent A/c No., duly signed and sealed, in confirmation of the same. Please note that if no reply is received from you within a fortnight, it will be assumed that you have accepted the balance shown below.
Sign-off used for the Letter	: We hereby confirm the above

Message can be change as per user's requirement

- 2) Change and accept the Account Configuration screen.
- 3) Now go to **Gateway of Tally → Display → Account Books → Ledgers → Select any ledger → Press F2** and specific period.
- 4) Press **ALT+P** to display Printing Ledger window.
- 5) Now specify as follows:

(a) Style of Report	: Confirmation of A/cs
(b) Show Company's PAN/IT Number	: No
(c) Show Party's Contact Details	: Yes
(d) Designation of Signing Authority	: Type a name (e.g. Shankar Kishan)
(e) Select Voucher to Show	: All Vouchers
(f) Format	: Detailed.

Printing Ledger	
Printer : (Neo00:)	Paper Type : A4
No. of Copies : 1	(Printing Dimensions)
Print Language : English	Paper Size : (8.27" x 11.69") or (210 mm x 297 mm)
Method : Neat Mode	Print Area : (8.27" x 11.69") or (210 mm x 297 mm)
Page Range : All	
Report Titles S.M. Mumtazuddin Ledger Account (with Print Preview)	
Style of Report	: Confirmation of A/cs
Show Company's PAN/IT Number	? No
Show Party's Contact Details	? Yes
Show Party's PAN/IT Number	? No
Designation of Signing Authority	: Shankar Kishan
Select vouchers to show	: All Vouchers
Format	: Detailed
Show Narrations also	? No
Style of Report Confirmation of A/cs Normal Ledger	
Print ? Yes or No	



6) Press **enter** key or press **Y** to print **Confirmation of A/cs**

To : S. M. Mumtazuddin
13, Lenin Sarani
Limpton Building

Contact Person : Rajiv Sinha
Telephone No. : 033-22348776

From : New India Traders
23-B, N. S. Road
Security House
Kolkata

Dated : 1-Feb-2010

Dear Sir/Madam,

**Sub : Confirmation of Accounts
1-Apr-2009 to 31-Jan-2010**

Given below is the details of your Accounts as standing in my/our Books of Accounts for the above mentioned period.

Kindly return 3 copies stating your I.T. Permanent A/c No., duly signed and sealed, in confirmation of the same. Please note that if no reply is received from you within a fortnight, it will be assumed that you have accepted the balance shown below.

Date	Particulars	Debit Amount	Date	Particulars	Credit Amount
1-Oct-2009	Sales -	1 1,64,200.00	2-Oct-2009	Sales Return	7,200.00
2-Nov-2009	Sales -	3 41,900.00			
31-Dec-2009	Interest Received	3,039.00			
					7,200.00
		2,09,139.00		Closing Balance	2,01,939.00
		2,09,139.00			2,09,139.00
I/We hereby confirm the above			Yours faithfully, Shankar Kishan		

Day - 34

Class Exercise

Open your company and do the followings:

- 1) On 01-02-2010 Rajesh (a peon) has submitted the bill of ₹ 1200 to the accountant.
- 2) The postdated cheque of Sumanta Electronics (**Chq # 890301 of Bank of India**) has been deposited in **Allahabad Bank** on 02-02-2010.
- 3) Export and open the Balance Sheet and Profit and Loss Account in Excel.
- 4) Prepare a new company with your friend's name followed by ICA (e.g. Raj_ICA). Import all ledgers from the previous company without balances. Import only accounting transaction from your previous company.
- 5) Send a Confirmation of Accounts letter to National Infosys.
- 6) Take a backup of your company.



Day - 35

LEARNING OBJECTIVES

- Tally security

Security

Tally contains all your business information. It also contains your trade secrets. So, it is essential that it is protected from prying eyes and unauthorised access. Today, we shall look into various issues involved with Security, Safety and Confidentiality of data.

Security Control Set Up for Company

- 1) From **Gateway of Tally Screen** → **Press ALT+F3** → **Alter** → **Select an Existing Company** and press **enter** to open **Company Alteration Screen**.
- 2) Set **Yes** at **Use Security Control** to activate Security Control System to get prompts to enter Administrator's particulars.

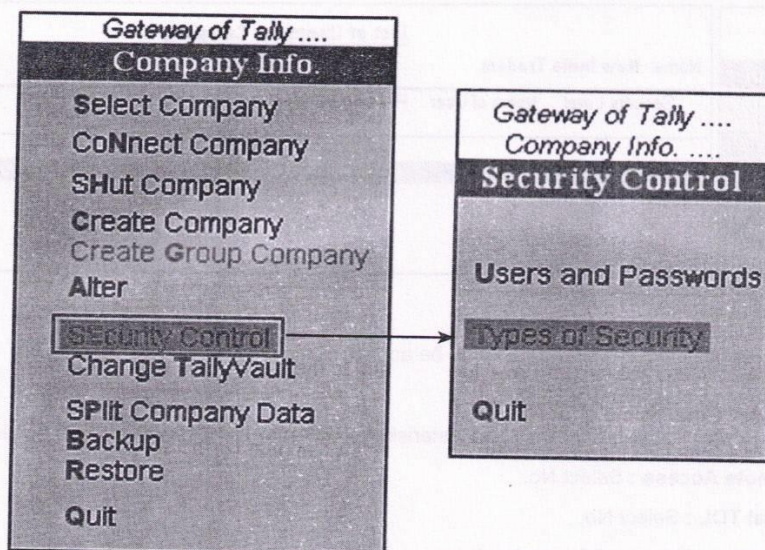
Company Alteration		Ctrl + M	
Name : New India Traders			
Mailing & Contact Details		Company Details	
Mailing Name	: New India Traders	Currency Symbol	: Rs.
Address	: 23-B, N.S.Road Security House Kolkata	Maintain	: Accounts with Inventory
		Financial Year from	: 1-4-2009
		Books beginning from	: 1-4-2009
		Security Control	
Statutory compliance for	: India	Use Security Control	? Yes
State	: West Bengal	(Enable Security to avail Tally.NET Features)	
PIN Code	: 700001	Name of Administrator	: shankar
Telephone No.	: 033 - 4000 6000	Password	: ***
Mobile No.	: 09831960010	Repeat Password	: ***
E-Mail	: newindia@traders.com	Use Tally Audit Features	? Yes
		Disallow opening in Educational mode	? No

- (a) Name of Administrator : Enter Name of Administrator who will control Access rights to the system and have access to Tally Audit.
 - (b) Password : Enter Password of Administrator.
 - (c) Repeat : Repeat the Password to confirm.
- 3) Finally save the Company Alteration screen.

Security Control

Having activated the Security Control system and entered the Administrator Password, you may set up profile of users.

- 1) At **Company Info** menu, select **Security Control** to get **Security Control Menu**.



- 2) Select **Types of Security** to open **Security Levels for Company**. For convenience of User, Tally pre creates a Security Level called Data Entry, Tally.Net User & Tally.Net Auditor. To rename the Security Level, overtype the name.
- 3) To Create a new Security Level, press Down Arrow to create a blank line and enter the Security Level name to get the Security Level definition screen

Security Levels	New India Traders
Security Levels for Company Name: New India Traders List of Security Levels Data Entry Tally.NET User Tally.NET Auditor Staff	
Name of Security Level : Staff Use Basic Facilities of : Owner Days allowed for Back Dated vouchers : 0 Cut-off date for Back Dated vouchers : Allow to Connect Company ? No Use Tally.NET Authentication ? No Use Tally.NET Auditor Authentication ? No	
Disallow the following Facilities <i>(others will be allowed)</i>	
Full Access Trial Balance Full Access Profit & Loss A/c Full Access Balance Sheet	Create/Alter Accounts Masters Create/Alter Inventory Masters Create/Alter Vouchers Full Access Bank Books

- 4) At **Security Level definition** screen, enter the details at Level Definition screen as shown above. In the above screen we have disallowed the user from viewing Trial Balance, Profit & Loss A/c and Balance Sheet. Whereas user is allowed to create/alter Accounts and Inventory Masters and can view Bank Books only.
- 5) Save and quit from Security Level Screen.

Creation of Users

Having created the Security Levels, now you create Users profile and assign the desired security levels. The user can then perform the task according to the Access Rights allowed in the selected Security Level.

- 1) At **Security Control** Menu, select **Users & Password** to get **User Creation** screen.



List of Users for Company					
Name: New India Traders					
Security Level	Name of User	Password (if any)	Allow Remote Access	Allow Local TDL	Mobile Number
Staff	Operator	***	No	No	09831960010

- 2) Now enter as follows:
- Security Level** : Select the security level to be applied to the User.
 - Name of User** : Enter Name of User.
 - Password** : Enter Password for the User. Asterisks (*) will appear on the screen for each letter of Password.
 - Allow Remote Access** : Select No.
 - Allow Local TDL** : Select No.
 - Mobile Number** : Enter mobile number if any.
- 3) This way, you may continue to create multiple Users profile.
- 4) Finally **save and quit** from user creation screen.
- 5) Now **close** and **re-open** your company with **User Name** as **Operator**.
- 6) You will notice that the **Profit & Loss** and **Balance Sheet** does not appear under **Reports**

Gateway of Tally		Gateway of Tally					
Company : New India Traders Name of User : Operator Password (if any) : ***		Current Period 1-4-2009 to 31-3-2010 Current Date Sunday, 31 Jan, 2010 List of Selected Companies <table border="1"> <thead> <tr> <th>Name of Company</th> <th>Date of Last Entry</th> </tr> </thead> <tbody> <tr> <td>New India Traders</td> <td>31-Jan-2010</td> </tr> </tbody> </table>		Name of Company	Date of Last Entry	New India Traders	31-Jan-2010
Name of Company	Date of Last Entry						
New India Traders	31-Jan-2010						
		Masters Accounts Info. Inventory Info. Quick Setup Transactions Accounting Vouchers Inventory Vouchers Import Import of Data Reports Stock Summary Display Quit					

- 7) Now the operator passes the given entry:

Paid Printing & Stationary of Rs.356 in cash on 31-03-2010.

Entry	Printing & Stationary A/c	Dr	356
	To, Cash		356

- 8) Pass the entry in Payment mode (F5):

Accounting Voucher - Creation		New India Traders	Ctrl + M
Payment	No. 13		31-Mar-2010 Wednesday
Cost Centre/Classes : ■ Not Applicable			
Particulars	Debit	Credit	
Dr Printing & Stationary Cur Bal: 3,356.00 Dr	356.00		
Cr Cash Cur Bal: 92,764.00 Dr		356.00	
Narration: Being Printing & Stationary made in cash.	356.00	356.00	

- 9) Now close and re-open your company with Administrator Name as Shankar and valid password.

Company : New India Traders	
Name of User	: shankar
Password (if any)	:

- 10) Only Administrator can access the Tally Audit reports. Got to **Display → Statement of Accounts → Tally Audit → Users**
- 11) Choose **Operator User** and press enter to display **User Statistics** showing number of Payment voucher entered.

Audit Statistics		New India Traders	Ctrl + M
User Wise			1-Apr-2009 to 31-Mar-2010
Name	User Type	Entered	Altered
shankar	Administrator	90	
Operator	Staff	1	

User Statistics		New India Traders	Ctrl + M
User Name : Operator			1-Apr-2009 to 31-Mar-2010
Name		Entered	Altered
Types of Vouchers		1	
Payment		1	

- 12) Select Payment Voucher to view Tally Audit Monthly Register. Select March and press enter to view Tally Audit Listing.



Tally Audit Monthly Register		New India Traders		Ctrl + M X	
List of Entered/Altered Payment Vouchers		1-Apr-2009 to 31-Mar-2010			
Particulars	Entered	Altered			
April					
May					
June					
July					
August					
September					
October					
November					
December					
January					
February					
March					

Tally Audit Listing		New India Traders		Ctrl + M X	
List of Entered/Altered Payment Vouchers		1-Mar-2010 to 31-Mar-2010			
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
31-3-2010	Printing & Stationary	Payment	13	356.00	
Entered By : operator					

Split Financial Year

Tally's flexible period-less accounting permits entry of data for any number of years. This in itself has tremendous benefits. However, presence of old data in cases where they are voluminous causes greater overhead on the system. Splitting financial years enables you to retain most benefits while overcoming this overhead.

When you split the data, new companies are created for the respective split periods. However, full data is retained in the original company.

How to Split Financial Years?

- 1) At Gateway of Tally → Press ALT+F3: Cmp Info.
- 2) Select Split Company Data.
- 3) Select the Company whose data is to be split.

Company Info.	
Select Company	
CoNnect Company	
SHut Company	
Create Company	
Create Group Company	
Alter	
SEcurity Control	
Change TallyVault	
SPlit Company Data	
Backup	
Restore	
Quit	

New India Traders	
Split Company Data	
Name	: New India Traders
Split from	: 1-Apr-2010
(this date will become the Financial Year Beginning for the new company)	
(valid values: 2-Apr-2009 to 1-Apr-2010 : Recommended is 1-Apr-2010)	
These new companies will be created and opened	
First Company	: New India Traders - (From 1-Apr-2009)
Second Company	: New India Traders - (From 1-Apr-2010)
Split ?	
Yes or No	

- 4) It is recommended that the **Split Point** is set as the beginning of the latest financial year though Tally permits any date as the Split Point.
- 5) On confirming the activity, two new companies will be created, each having their respective period data.

Gateway of Tally	
Current Period	Current Date
14-2009 to 31-3-2010	Wednesday, 31 Mar, 2010
List of Selected Companies	
Name of Company	Date of Last Entry
New India Traders - (from 1-Apr-2010)	
No Vouchers Entered	
New India Traders	31-Mar-2010
New India Traders - (from 1-Apr-2009)	31-Mar-2010
New India Traders - (from 1-Apr-2010)	No Vouchers Entered

Group Companies

You have seen reports for individual companies, also learnt how to get different companies reports in parallel columns. However many organization need consolidated financial reports for different companies belonging to the same management or owners. In many countries, it is mandatory to consolidate group company accounts. A business house has following companies which are divided into different group as per activity as the management intends to monitor industry / trade wise performance and also for the group as a whole

As long as just one company is selected, this option remains deactivated. On selecting multiple companies, this option is activated.

- 1) In order to create **Saf India Group Company** first you select all the companies (at least two companies) and then select **Company Info** menu (or press ALT+F3) which now display **Create Group Company** option.

Gateway of Tally		Gateway of Tally Ctrl + M
Current Period	Current Date	Company Info.
14-2009 to 31-3-2010	Thursday, 31 Dec, 2009	Select Company
List of Selected Companies		CoNnect Company
Name of Company	Date of Last Entry	SHut Company
New India Traders	31-Mar-2010	Create Company
New India Traders	31-Mar-2010	Create Group Company
Saf Traders	31-Dec-2009	Alter
		SEcurity Control
		Change TallyVault
		SPlit Company Data
		Backup
		Restore
		Quit



- 2) Choose and enter **Create Group Company** to open **Group Company Creation** screen.
- 3) Enter name for the group company at name field. The other field like directory, mailing name, address, e-mail address, income tax and sales tax numbers are similar as explained for company creation.

Group Company Creation	
Directory	: C:\Tally.ERP9\Data
Name	: Saf India Group of Companies
Mailing Name	: Saf India Group of Companies
Address	: Netaji Subhas Road
Country	: India
State	: West Bengal
PIN Code	: 700001
Telephone No.	: 033-43006300
E-Mail	: safindia@hotmail.com
Members	: New India Traders Saf Traders

List of Companies	
New India Traders	(10001)
Saf Traders	(10000)

- 4) At member field, pop up displays all the company that has been pre-selected prior to creation of Group Company. We select companies one after another who are member of this group company.
- 5) On accepting the screen, the group company would be created and auto selected.

Gateway of Tally	
Current Period	Current Date
1.4.2009 to 31.3.2010	Thursday, 31 Dec, 2009
List of Selected Companies	
Name of Company	Date of Last Entry
Saf India Group of Companies	
New India Traders	31-Mar-2010
Saf India Group of Companies	
New India Traders	31-Mar-2010
Saf Traders	31-Dec-2009
Saf Traders	31-Dec-2009

Gateway of Tally	
Masters	
Accounts Info	
Inventory Info	
Quick Setup	
Transactions	
Accounting Vouchers	
Inventory Vouchers	
Import	
Import of Data	
Reports	
Balance Sheet	
Profit & Loss A/c	
Stock Summary	
Ratio Analysis	
Display	
Quit	

- 6) On the left side of gateway of tally, you would find the group company name and individual companies both are appearing under list of companies.

- 7) To view consolidated Balance sheet report, go to Balance Sheet. To **add** individual column for a separate companies press **ALT+C** from Balance sheet report.

Saf India Group of Companies				Saf India Group of Companies			
Column Details				Column Details			
Name of Company	:	New India Traders		Name of Company	:	Saf Traders	
From (blank for beginning)	:	1-4-2009		From (blank for beginning)	:	1-4-2009	
To (blank for end)	:	31-3-2010		To (blank for end)	:	31-3-2010	
Method of Stock Valuation	:	Default		Method of Stock Valuation	:	Default	
Types of Value to show	:	Actuals		Types of Value to show	:	Actuals	

Balance Sheet				Ctrl + M X			
	Saf India Group of Companies as at 31-Mar-2010		New India Traders as at 31-Mar-2010		Saf Traders as at 31-Mar-2010		
Sources of Funds :							
Capital Account		45,91,200.00		18,91,200.00		27,00,000.00	
Reserves & Surplus	10,50,000.00		8,50,000.00		2,00,000.00		
Capital	37,00,000.00		12,00,000.00		25,00,000.00		
Drawings	(-1,58,800.00)		(-1,58,800.00)				
Loans (Liability)		9,00,000.00		4,00,000.00		5,00,000.00	
Secured Loans	9,00,000.00		4,00,000.00		5,00,000.00		
Current Liabilities		6,14,603.00		4,44,603.00		1,70,000.00	
Provisions							
Sundry Creditors	1,72,000.00		1,12,000.00		60,000.00		
Outstanding Expenses	1,30,000.00		1,20,000.00		10,000.00		
Bill Payable	2,90,000.00		1,90,000.00		1,00,000.00		
Outstanding Interest on HDFC Loan	22,603.00		22,603.00				
Profit & Loss A/c		7,72,500.00		5,72,500.00		2,00,000.00	
Opening Balance	7,00,000.00		5,00,000.00		2,00,000.00		
Current Period	72,500.00		72,500.00				
Total		68,78,303.00		33,08,303.00		35,70,000.00	
Application of Funds :							
Fixed Assets		40,00,000.00		18,00,000.00		22,00,000.00	
Computer							
Furniture	1,00,000.00		1,00,000.00				
Goodwill	7,00,000.00		5,00,000.00		2,00,000.00		
Land & Building	23,00,000.00		8,00,000.00		15,00,000.00		
Machinery	9,00,000.00		4,00,000.00		5,00,000.00		
Investments		7,00,000.00		4,00,000.00		3,00,000.00	
Investment in Bonds	7,00,000.00		4,00,000.00		3,00,000.00		
Current Assets		21,78,303.00		11,08,303.00		10,70,000.00	
Closing Stock	45,100.00		45,100.00				
Sundry Debtors	2,51,669.00		2,41,669.00		10,000.00		
Cash-in-hand	1,58,084.00		98,084.00		60,000.00		
Bank Accounts	12,68,450.00		4,68,450.00		8,00,000.00		
Prepaid Expenses	5,000.00		5,000.00				
Bill Receivable	4,50,000.00		2,50,000.00		2,00,000.00		
Total		68,78,303.00		33,08,303.00		35,70,000.00	



Day - 36

Class Exercise

Open your company and do the followings:

- 1) Protect your company from unauthorized access. Give **User Name** as your **First Name** and password as **ICA** and activate tally audit features.
- 2) Prepare the following users and assign the given rights as shown below:

User Name	Password	Security Level	Disallow the following Facilities	Allow the following Facilities
			Full Access : Balance Sheet	Alter: Vouchers
			Full Access : Profit & Loss	Print: Day Book
Amit	<Leave it Blank>	Accountant		
			Full Access : Bank Book	
			Full Access : Trial Balance	
			Full Access : Trial Balance	Create: Voucher
Suraj	<123>	Cashier	Full Access : Stock Summary	Print: Trial Balance
			Full Access : Day Book	Print: Balance Sheet

- 3) **Amit** logged on to the company and passed the following transaction:
 - a. Paid Electricity bill of ₹8000 through cheque of Citi Bank (Chq # 405308) for the month of February on 01-03-2010.
 - b. Paid Rent of ₹ 5000 for the month of February in cash on 02-03-2010.
- 4) **Suraj** logged on to the company and passed the following transaction:
 - a. Cash of ₹15000 withdrawn from CITI Bank for office use on 31-03-2010 (Chq # 405309).
 - b. Transferred ₹2000 from main cash to petty cash to meet daily expenses of the business on 31-03-2010.
- 5) Now log on to Your Company and check the Audit Statistics Report.
- 6) Take a backup of your company.
- 7) Carry forward the Company to the next year (01-04-2010 to 31-03-2011).

Day - 37

LEARNING OBJECTIVES

- Printing in Tally

Cheque Printing

You can print Cheques from Payment Voucher during voucher entry or later on through Voucher alteration mode.

Set Up for Cheques Printing

- 1) To print cheques from **Payment Voucher**, Click **F11: Features** → **Accounting Features** to get Company Operations screen.
- 2) Set **Yes** at **Enable Cheque Printing** and set **Yes** at **Set/Alter Cheque Printing Configuration** to get Company Cheque Details screen.

Other Features	
Enable Cheque Printing	? Yes
Set/Alter Cheque Printing Configuration	? Yes
Allow Zero valued entries	? No

Company Cheque Details	
Company Name on Cheque : New India Traders	Notes ? Yes
Names of Banks : Axis	Bank Accounts es
	End of List
	Axis es
	Standard Chartered es

- 3) At Company cheque detail screen, specify as follows:
 - a. **Company Name on Cheque:** At Company Name on Cheque field enters the Company Name to be printed on cheque. Leave it blank if Company Name is not to be printed.
 - b. **Names of Banks:** At Name of Bank field, select the Bank Account from list. This way, select all the banks for which you like to print cheques.
- 4) After selecting the Bank Name, you get the Cheque Printing Configuration screen, where you enter various dimensions of cheques components.



Cheque Printing Configuration (All Dimensions in mm only)	
Width of Cheque	: 204
Height of Cheque	: 93
Distance of Date Line from Top Edge	: 12
Starting Location of Date from Left Edge	: 145
Distance of Party's Name Line from Top Edge	: 21
Starting Location of Name from Left Edge	: 40
Width of Name area	: 140
Distance of 2nd Amt-in-words Line from Top Edge	: 40
Height (gap) of Amt-in-words Line	: 6
Starting Location of Amt-in-words from Left Edge	: 40
Width of Amt-in-words area	: 95
Distance of Amt-in-figures Line from Top Edge	: 40
Starting Location of Amt-in-figures from Left Edge	: 155
Width of Amt-in-figures area	: 40
Distance of Company Signature Bottom Line from Top Edge	: 75
Starting Location of Signature from Left Edge	: 120
* Width of Signature area	: 75
* Height of Signature area	: 20
(* mandatory to save configuration)	
Salutation of 1st Signatory (if 2 signatories)	: Sr.Manager - Admin
Salutation of 2nd or Single Signatory	: C.E.O. - Finance

5) After setting the dimensions of cheque printing, save the screen by pressing enter key.

Cheque Details entry in Payment Voucher

1) In a **Payment Voucher** where you have selected a Bank for which you have set the Company Cheque Details, enter the following Cheque Details:

Accounting Voucher Creation		New India Traders		Ctrl + M
Payment	No. 14	Cost Centre/Classes : ■ Not Applicable		31-Mar-2010 Wednesday
Particulars	Debit	Credit		
Dr National Traders	22,000.00			
Cur Bal: 50,000.00 Cr				
Agst Ref NT/08-09/201	22,000.00 Dr	22,000.00		
Cr Axis				
Cur Bal: 2,50,650.00 Dr				
Name on Cheque	: National Traders			
Cross cheque using	? A/c Payee			
Narration:				
Ch. No. :# 200107. Being paid 22000 in cheque to National Traders.			22,000.00	22,000.00

- Payee's Name:** At Name on Cheque field, enter the Payee's Name (Tally proposes the Ledger name, which you may change if necessary).
- Cheque Crossing Style:** At Cross Cheque Using field, enter the Cheque Crossing Style like A/c Payee only, & Co, etc. (Tally proposes A/c Payee which you may change or blank out for uncrossed/Bearer Cheques).
- Click **Yes** at **Voucher Printing** screen to get **Print Preview** of Payment Voucher. Click **Print** Command to Print **Payment Voucher**; else click **No** (if you do not want to print Payment Voucher).

Voucher Printing	
Printer : (Ne00:)	Paper Type : A4
No. of Copies : 1	
Print Language : English	(Printing Dimensions)
Method : Neat Mode	Paper Size : (8.27" x 11.69") or (210 mm x 297 mm)
Page Range : All	Print Area : (8.27" x 11.69") or (210 mm x 297 mm)
Report Titles	
Payment Voucher	
(with Print Preview)	
Print ? Yes or No	

New India Traders	
23-B, N. S. Road	
Security House	
Kolkata	
Payment Voucher	
No. : 14	Dated : 31-Mar-2010
Through : Axis	
Particulars	Amount
Account :	22,000.00
National Traders	
Agst Ref NT/08-09/201	22,000.00 Dr
On Account of :	
Ch. No. # 200107. Being paid 22000 in cheque to National Traders.	
Amount (in words) :	
₹. Twenty Two Thousand Only	22,000.00
Receiver's Signature :	Authorised Signatory
Checked by :	Verified by

- 5) The Cheque Printing screen appears, Next Click **Yes** at **Cheque Printing** screen, to get Print Preview screen.



Cheque Printing		
Printer	: (Ne00:)	Paper Type : A4
No. of Copies	: 1	
Print Language	: English	(Printing Dimensions)
Method	: Neat Mode	Paper Size : (8.27" x 11.69") or (210 mm x 297 mm)
Page Range	: All	Print Area : (8.27" x 11.69") or (210 mm x 297 mm)
Report Titles		
Cheque Printing		Print ? Yes or No
(with Print Preview)		

- 6) Click **Print Command** at **Print Preview** screen to print cheque.

<u>A/c Payee</u>	31-Mar-2010
National Traders	
Twenty Two Thousand Only	
	**22,000.00
	for New India Traders
Sr. Manager - Admin	C.E.O. - Finance

- 7) Finally save the Payment Voucher.

Note:

To Reprint a cheque (if the cheque does not get printed properly), get the payment voucher in Alteration mode, modify the cheque details (if needed) in the voucher and print the cheque online.

Accounts Voucher Printing

After Voucher entry, you may print the voucher. You may print voucher at two (2) stages:

- ❖ **Online Voucher Printing during voucher entry:** Just after you have completed the voucher data entry, you may print the voucher before saving it. This way, you print only the current voucher instantly upon entry.
- ❖ **Offline Voucher Printing of saved Voucher:** You may print all vouchers of a day at one go (through Multi Voucher Printing option), after the vouchers have been saved. (This option is active only for license version).

Voucher Printing Set Up

At Voucher printing screen, click **F12: Configure** to get the Voucher printing Configuration Screen for the respective voucher types. Set the configuration options as desired.

The standard values in the configuration screen are pre-set to fit voucher in A4 size paper. However, you may change them to adjust according to the size of paper you use.

- 1) Get the **Receipt voucher** in Alteration mode from Day Book for print.
- 2) Press **ALT+P** to get Voucher Printing Screen.

Voucher Printing New India Traders Ctrl + N

Receipt No. 2 Cost Centre/Classes 1-May-2009 Friday

Particulars	Debit	Credit
Cr Rakesh Kumar		12,000.00
Cur Bal. 12,000.00 Cr		
Advance Adv.001	12,000.00 Cr	
Dr Axis		
Cur Bal. 2,50,650.00 Dr		
		12,000.00

Voucher Printing

Printer : (Net00.) Paper Type : A4

No. of Copies : 1

Print Language : English (Printing Dimensions)

Method : Neat Mode Paper Size : (8.27" x 11.68") or (210 mm x 297 mm)

Page Range : All Print Area : (8.27" x 11.68") or (210 mm x 297 mm)

Report Titles

Receipt Voucher

(with Print Preview)

Print ?

Yes or No

Narration:
Ch. No. : #3400501. Advance receipt from a party for selling goods.

12,000.00 12,000.00

- 3) Press **F12:Configure** to get **Receipt Printing Configuration** Screen. Set the configuration options as shown below.

Receipt Printing Configuration

Height of Voucher (inches) : 7

Width of Voucher (inches) : 5

Space to leave on top (default 0.25) : 0.25

Space to leave on left (default 0.75) : 0.25

Receipt Mode on Top of Voucher ? Yes

Print Bill-wise Details ? Yes

Print Inventory Details ? No

Print Cost Centre Details ? No

Space for Checked/Verified initials ? Yes

Formal Receipt Printing Configuration

Height of Receipt (inches) : 6

Width of Receipt (inches) : 5

Space to leave on top (default 0.25) : 0.25

Print Narration ? Yes

Print Narration for each entry ? No

- 4) After changing the necessary Printing Configuration, **save and exit** from Receipt Printing Configuration screen.
- 5) Click **Yes** to get **Print Preview** screen, then click **Print command** to print Receipt Voucher.



New India Traders 23-B, N. S. Road Security House Kolkata Receipt Voucher	
No. : 2 Through : Axis	Dated : 1-May-2009
Particulars	Amount
Account : National Traders Agst Ref NT/08-09/201	12,000.00 12,000.00 Cr
On Account of : Ch. No. # 3400901. Advance receipt from a party for selling goods.	
Amount (in words) : ₹. Twelve Thousand Only	12,000.00
Checked by :	Authorised Signatory Verified by

Enquiry & Quotations

Enquiry and Quotations are pre-stage of Purchase and Sales Orders. These may be conveniently created as Optional Voucher for Orders and the regularized as Orders.

Sales Quotation Printing

Often you may need to submit Quotation (an offer for Sale) in response to Buyer's Enquiry. Enter the Transaction in Sales Order, make as **Optional** by clicking the button (or press **CTRL+L**).

- 1) Quotation does not update pending Sales Order Balances.

Inventory Voucher Creation		New India Traders		Ctrl + M
Sales Order	No. 2	Cost Centre/Classes : I Not Applicable		31-Mar-2010 Wednesday
		Optional	Price Level : I Not Applicable	Order No. : S-QT-01
Party's A/c Name : Suman Traders Current Balance : 15,000.00 Cr Sales Ledger : Sales				
Name of Item	Quantity	Rate per	Disc. %	Amount
A-One Combo Pack	2 Pcs	8,800.00	Pcs	17,600.00
Rock Mobile-E97	2 Pcs	10,000.00	Pcs	20,000.00
Bluetooth Handset	1 Pcs	2,800.00	Pcs	2,800.00
				40,400.00
Narration:		5 Pcs	40,400.00	
Sales Quotation issued to Suman Traders.				

- 2) Click **P: Print button** (or press **ALT+P**) to get **Voucher Printing** screen.

Voucher Printing		
Printer	: (Ne00:)	Paper Type : A4
No. of Copies	: 1	
Print Language	: English	(Printing Dimensions)
Method	: Neat Mode	Paper Size : (8.27" x 11.69") or (210 mm x 297 mm)
Page Range	: All	Print Area : (8.27" x 11.69") or (210 mm x 297 mm)
Report Titles		
QUOTATION		
(with Print Preview)		
		Print ?
		Yes or No

- 3) Press **F12: Configuration** to get **Sales Order Printing Configuration** screen. Make required changes in the configuration screen.

Sales Order Printing Configuration			
Title of Document		: SALES ORDER	
(for Optional Voucher)		: QUOTATION	
Sub Title (if any)		: Sales Quotation	
Height of Normal Sales Order (inches)	: 10	Simple:	10
Width of Normal Sales Order (inches)	: 7.50	Simple:	7.50
Space to leave on top (default 0.25)	: 0.25	Simple:	0.25
Space to leave on left (default 0.5)	: 0.50	Simple:	0.50
Print in Simple Format	? No	Print Serial No.	? Yes
Print Voucher Reference	? Yes	Print Part No.	? No
Print Terms of Payment and Delivery	? Yes	Print Quantity Column	? Yes
Print details of Despatch	? Yes	Print Actual Quantity Column	? No
Print Company's Tax Regn. Numbers	? Yes	Print Rate Column	? Yes
		Print Delivery Date / Batch Details	? Yes
		Print Rate of Duty with Items	? No
		Print Sub-Totals after each line	? No
		Print Narration	? Yes
Method to use for Stock Item Name		: Name Only	
Jurisdiction		: KOL KATA	

- 4) Press enter at the last field to revert to Voucher Printing Screen. Now Click Yes to print **Sales Quotation**.



QUOTATION						
Sales Quotation						
New India Traders 23-B, N. S. Road Security House Kolkata E-mail : newindia@traders.com		Invoice No. 2		Dated 31-Mar-2010		
				Mode/Terms of Payment 30 Days		
		Buyer's Ref. S-QT-01		Other Reference(s)		
Invoice to Suman Traders 30, Ganesh Chandra Avenue Star Mansion		Despatch through Ezra Street		Destination		
		Terms of Delivery Delivery Van				
SI No.	Description of Goods	Quantity	Rate	per	Disc. %	Amount
1	A-One Combo Pack	2 Pcs	8,800.00	Pcs		17,600.00
2	Rock Mobile - E97	2 Pcs	10,000.00	Pcs		20,000.00
3	Bluetooth Handset	1 Pcs	2,800.00	Pcs		2,800.00
Total		5 Pcs				40,400.00
Amount Chargeable (in words) Rs. Forty Thousand Four Hundred Only						E & O E
Remarks : Sales Quotation issued to Suman Traders.				for New India Traders Authorised Signatory		
SUBJECT TO KOLKATA JURISDICTION						

Stock Register Report

- 1) To get **Stock Register Report**, go to **Display → Statements of Inventory → Godown → Select Primary godown** to get **Godown Summary** report. Press **F12** to open **Configuration** screen.

Configuration	
Show Quantities	? Yes
Show Rates	? Yes
Show Values	? Yes
Show Opening Balance	? Yes
Show goods inwards	? Yes
Show goods outwards	? Yes
Show Closing Balance	? Yes
Show All Items (incl. zero balance)	? No
Show Consumption & Gross Profits	? No
Show using Alternate Units	? No
Show Tail Units of Compound Units	? No
Appearance of Stock Item Names	: Name Only
Appearance of Names	: Name Only
Scale Factor for Values	: Default
Sorting Method	: Default
Expand all levels in Detailed Format	? Yes

2) Press **enter** at the last field to get Godown Summary report.

Godown Summary				New India Traders								Ctrl + M			
Particulars	New India Traders 1-Apr-2009 to 31-Mar-2010														
	Opening Balance			Inwards			Outwards			Closing Balance					
	Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value			
	46 Pcs	1,869.57	86,000.00	31 Pcs	4,264.52	1,32,200.00	67 Pcs	3,539.25	2,37,130.00	10 Pcs	4,430.00	44,300.00			
Ezra Street	46 Pcs	1,869.57	86,000.00	31 Pcs	4,264.52	1,32,200.00	67 Pcs	3,539.25	2,37,130.00	10 Pcs	4,430.00	44,300.00			
MOBILE	46 Pcs	1,869.57	86,000.00	31 Pcs	4,264.52	1,32,200.00	67 Pcs	3,539.25	2,37,130.00	10 Pcs	4,430.00	44,300.00			
A-One Combo Pack				4 Pcs	8,800.00	35,200.00	1 Pcs	8,800.00	8,800.00	3 Pcs	8,800.00	26,400.00			
Battery-BP6M	10 Pcs	700.00	7,000.00				8 Pcs	700.00	5,600.00	2 Pcs	700.00	1,400.00			
Bluetooth Handset				10 Pcs	1,200.00	12,000.00	9 Pcs	1,866.67	16,800.00	1 Pcs	1,200.00	1,200.00			
Phone Car Kit	10 Pcs	300.00	3,000.00				9 Pcs	377.78	3,400.00	1 Pcs	300.00	300.00			
Rock Mobile-E97	6 Pcs	5,000.00	30,000.00	17 Pcs	5,000.00	85,000.00	20 Pcs	6,500.00	1,30,000.00	3 Pcs	5,000.00	15,000.00			
Highland Park	25 Pcs	560.00	14,000.00	6 Pcs	5,066.67	30,400.00	29 Pcs	2,751.72	79,800.00	2 Pcs	400.00	800.00			
MOBILE	25 Pcs	560.00	14,000.00	6 Pcs	5,066.67	30,400.00	29 Pcs	2,751.72	79,800.00	2 Pcs	400.00	800.00			
Battery-PL5C	20 Pcs	400.00	8,000.00				18 Pcs	800.00	14,400.00	2 Pcs	400.00	800.00			
Grand Total	71 Pcs		1,00,000.00	37 Pcs		1,62,600.00	96 Pcs		3,16,930.00	12 Pcs		45,100.00			

3) Press **ALT+P** to get Printing Godown Summary report.

4) Finally click **Yes** to print Stock Register Report.

New India Traders 23-B, N.S.Road Security House Kolkata Godown Summary 1-Apr-2009 to 31-Mar-2010												
Page 1												
Particulars	Opening Balance			Inwards			Outwards			Closing Balance		
	Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value
Ezra Street	46 Pcs	1,869.57	86,000.00	31 Pcs	4,264.52	1,32,200.00	67 Pcs	3,539.25	2,37,130.00	10 Pcs	4,430.00	44,300.00
MOBILE	46 Pcs	1,869.57	86,000.00	31 Pcs	4,264.52	1,32,200.00	67 Pcs	3,539.25	2,37,130.00	10 Pcs	4,430.00	44,300.00
A-One Combo Pac				4 Pcs	8,800.00	35,200.00	1 Pcs	8,800.00	8,800.00	3 Pcs	8,800.00	26,400.00
Battery-BP6M	10 Pcs	700.00	7,000.00				8 Pcs	700.00	5,600.00	2 Pcs	700.00	1,400.00
Bluetooth Handset	10 Pcs	300.00	3,000.00	10 Pcs	1,200.00	12,000.00	9 Pcs	1,866.67	16,800.00	1 Pcs	1,200.00	1,200.00
Phone Car Kit	25 Pcs	5,000.00	30,000.00				9 Pcs	377.78	3,400.00	1 Pcs	300.00	300.00
Rock Mobile-E97	6 Pcs	5,000.00	30,000.00	17 Pcs	5,000.00	85,000.00	20 Pcs	6,500.00	1,30,000.00	3 Pcs	5,000.00	15,000.00
Highland Park	25 Pcs	560.00	14,000.00	6 Pcs	5,066.67	30,400.00	29 Pcs	2,751.72	79,800.00	2 Pcs	400.00	800.00
MOBILE	25 Pcs	560.00	14,000.00	6 Pcs	5,066.67	30,400.00	29 Pcs	2,751.72	79,800.00	2 Pcs	400.00	800.00
Battery-PL5C	20 Pcs	400.00	8,000.00				18 Pcs	800.00	14,400.00	2 Pcs	400.00	800.00
Grand Total	71 Pcs		1,00,000.00	37 Pcs		1,62,600.00	96 Pcs		3,16,930.00	12 Pcs		45,100.00

Sales Register Report

Sales Register displays the monthly summary of sales transactions and closing balances. The list of transactions pertaining to each month can be viewed by selecting that month and viewing its details. Tally.ERP 9 permits you to change the display according to the information required.

To view **Sales Register**:

- 1) Go to **Gateway of Tally → Display → Account books → Sales Register**
- 2) Select a **month** and press **Enter** to see the **Sales Voucher Register**. Press **ALT+F2** and specify the period from **01-04-2009 to 31-03-2010**.



Voucher Register		New India Traders		Ctrl + M X	
List of All Sales Vouchers			1-Apr-2009 to 31-Mar-2010		
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
1-10-2009	S.M. Mumtazuddin	Sales	1	1,64,200.00	
31-10-2009	Cash	Sales	2	32,300.00	
2-11-2009	S.M. Mumtazuddin	Sales	3	41,900.00	
2-11-2009	Arvind Kumar	Sales	4	1,600.00	
2-11-2009	Arvind Kumar	Sales	5	5,130.00	
2-11-2009	Cash	Sales	6	5,320.00	
Total:				2,50,450.00	

3) Now, you want to view only those Sales Vouchers, whose bill amount is between 40,000 to 200,000.

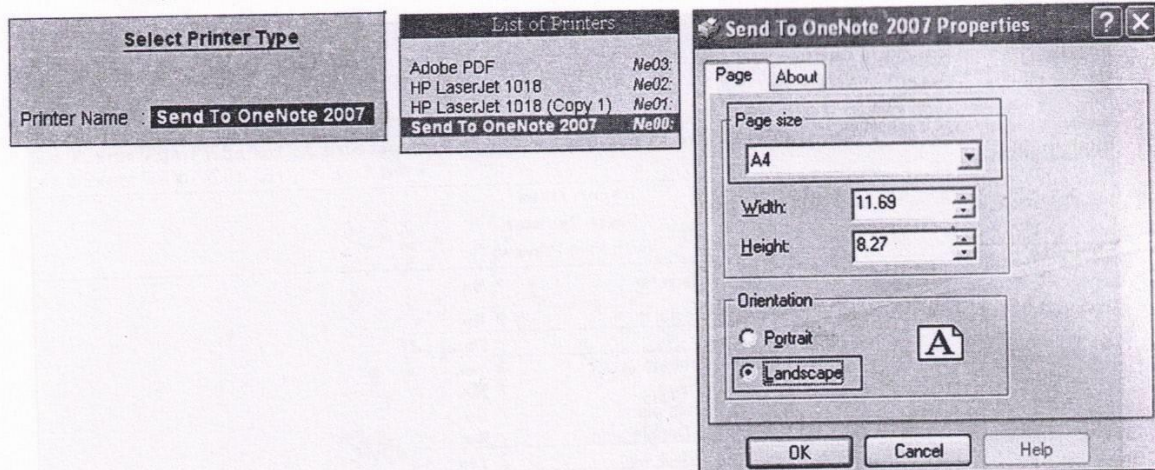
4) Click **F12: Range** button (or press **Ctrl+F12**) to get **Range of Information in Report**.

Range of Information in Report				
(show only those lines satisfying the given conditions)				
Voucher	having	Ledger Amount	greater than	40000
and Voucher	having	Ledger Amount	lesser than	200000

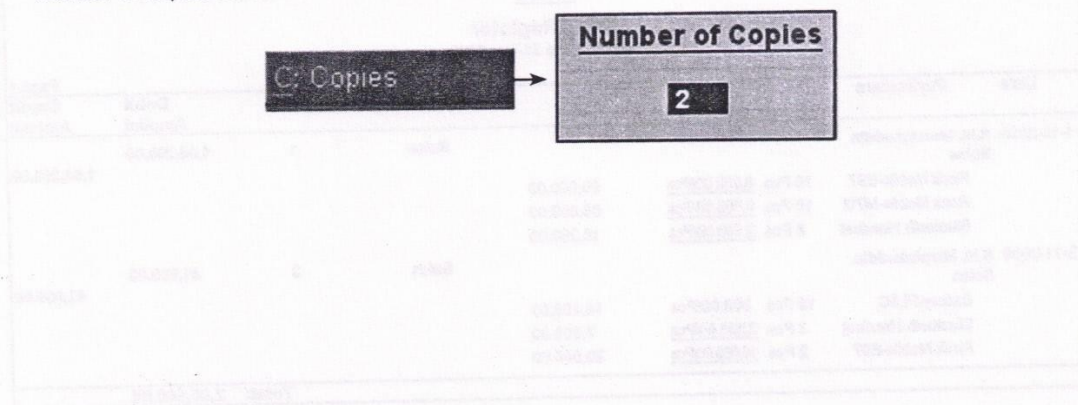
5) Set the condition as shown above and press enter to get conditional Sales Register report.

Voucher Register		New India Traders		Ctrl + M X	
List of All Sales Vouchers				1-Apr-2009 to 31-Mar-2010	
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
1-10-2009	S.M. Mumtazuddin	Sales	1	1,64,200.00	
2-11-2009	S.M. Mumtazuddin	Sales	3	41,900.00	
Total:				2,06,100.00	

- 6) Press **ALT+P** to get **Printing Sales Register** screen. Click **S: Select Printer** button (or press **ALT+S**) to get **Select Printer Type** screen.



- 7) Select and enter a **Printer Name** to get **Printer Properties** screen. Choose **Paper size** as required and select **Orientation** as **Landscape**.
- 8) Click **OK** button to revert to **Printing Sales Register** screen. Click **C: Copies** button (or press **ALT+C**) to get **Number of Copies** screen.





- 9) Set number of copies to print and press enter key to get **Printing Sales Register** screen. Click **Yes** to get **Print Preview** screen. Click **Print** command to **Print Sales Register**.

Printing Sales Register	
Printer : Send To OneNote 2007 (Ne00)	Paper Type : A4
No. of Copies : 2	
Print Language : English	(Printing Dimensions)
Method : Neat Mode	Paper Size : (11.69" x 8.27") or (297 mm x 210 mm)
Page Range : All	Print Area : (11.69" x 8.27") or (297 mm x 210 mm)
Report Titles Sales Register (with Print Preview)	
Show Extract of Register	? No
Show Columnar Register	? No
Format	: Detailed
Show Voucher Numbers also	? Yes
Show Narrations also	? No
Show Billwise Details also	? No
Show Cost Centre Details also	? No
Show Inventory Details also	? Yes
Show Entered/Altered By	? No

New India Traders 23-B, N.S.Road Security House Kolkata Sales Register 1-Apr-2009 to 31-Mar-2010						Page 1
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount	
1-10-2009	S.M. Mumtazuddin Sales	Sales	1	1,64,200.00	1,64,200.00	
	Rock Mobile-E97 10 Pcs 8,000.00/Pcs			80,000.00		
	Rock Mobile-M70i 10 Pcs 6,500.00/Pcs			65,000.00		
	Bluetooth Handset 8 Pcs 2,400.00/Pcs			19,200.00		
2-11-2009	S.M. Mumtazuddin Sales	Sales	3	41,900.00	41,900.00	
	Battery-PL5C 18 Pcs 800.00/Pcs			14,400.00		
	Bluetooth Handset 3 Pcs 2,500.00/Pcs			7,500.00		
	Rock Mobile-E97 2 Pcs 10,000.00/Pcs			20,000.00		
Total:				2,06,100.00		

Day - 38**Class Exercise**

Open your previous company and do the followings:

- 1) Paid ₹30000 to **Kanti Poddar** as repayment of loan through **Citi Bank** (Chq # 405310) on 31-03-2010. Print Preview **Payment Voucher** and Cheque. (Name on cheque should be – Kanti Poddar)

[Hint: Enable Cheque Printing features.....]

- 2) Received ₹ 25,000 in cheque (**Chq # 590301 drawn on HDFC Bank**) from **National Infosys** as part payment on 31-03-2010 and deposited the cheque in CITI bank on the same day. Print Receipt Voucher in Office One-note or in Adobe PDF.

- 3) Print Preview Purchase and Sales Register.

- 4) Print Preview Stock Register.

- 5) View only those sales vouchers having bill amount between 50,000 to 150,000.

- 6) Placed a Sales Quotation to **Ruma Electronics** on 31-03-2010 for the following goods [Quotation No: **SAF/QT-151**].

Television	- 4 Pcs	@ 13600
DVD-Player	- 3 Pcs	@ 5000
MP4-Player	- 2 Pcs	@ 4000

- 7) Take a backup of your company.



Day - 39

LEARNING OBJECTIVES

- Budgets
- Scenario

Budgets & Scenario

Budget

Budget means a sum of money allocated for a particular purpose. It is generally a list of all planned expenses and revenues. It is a plan for saving and spending. A financial plan to manage the spending and saving of money. A plan that estimates income and expenses in order to achieve financial goals.

Budget in Tally

To activate budget in Tally use, F11-F1 Accounting Features> Maintain budgets and controls- YES.

After allowing this feature, we will get Budget creation menu under gateway of **Tally → Accounting Info.**

Every budget I created by its name. Such as; Budget on Travelling Expenses, Budget on Advertisement etc.

Time duration is most important variable in Budget creation. All budgets are created under primary group. It can be created on particular ledger or any group of ledger. Budget creation is allowed for cost centre and cost category also.

For example: suppose we have a ledger, Advertisement expenses. We have two branches i.e. Branch 1 and Branch 2. If budget is created on Advertisement expenses it is called ledger-wise budget. If budget is created on Branch 1 and Branch 2, it is called cost centre-wise budget.

In Tally budget supports two types of calculation a. on closing balance b. on net transaction.

- If calculation is based on closing balance budgeted amount will be calculated on month basis.
- If calculation is based on net transaction, budgeted amount will be calculated on daily basis or date wise.

Effect of budget

Budget is just a prediction. No accounting entry will be made in such case. After defining budget for any expenses ledger, if we pass entry based on that ledger it shows effect of such.

Effect can be two types Positive and Negative.

If actual expenses is more than budgeted expenses it shows negative variance.

If budgeted expenses is more than actual expenses it shows positive variance.

Budget variance report can be shown from Profit & loss account or Cost centre summary report.

Budget is very necessary for every accounting activity. Budget is basically made for future events on the basis of current activities. This is assumption based. Companies are making budget on its expenses mainly. In Tally we can also make budgets. Tally supports multiple budgets also. Budget can be made on the basis of particular ledger, group and cost centre. Budget period is most important to get the proper variance Report.

How to start budget in Tally?

Step 1: Switch on Maintain Budgets and control option from F11-F1(Accounting features)

Budgets & Scenario Management	
Maintain Budgets and Controls	☐ ? Yes
Use Reversing Journals & Optional Vouchers	☐ ? Yes

Example: Suppose your company makes the following plan for budget

Budget Period	Ledger Name	Type of Budget	Budget amount
1-4-09 to 1-7-09	Advertisement Expenses	On net Transaction	24000

Step 2: Creation of Budget on specific ledger or groups.

Path: Gateway of Tally → Accounts Info → Budget → create

Budget Creation New India Traders

Name : Budget for Advertisement

Under : Primary

Period of Budget		Set / Alter Budgets of		
From:	To:	Groups	Ledgers	Cost Centres
1-Apr-2009	1-Jul-2009	No	☒ Yes	No

Ledger Budget New India Traders

Ledger Budgets Under 'Budget for Advertisement'
(From 1-Apr-2009 to 1-Jul-2009)

Account Name	Cost Centre	Type of Budget	Amount
Advertisement Expenses	[Not Applicable]	On Net Transactions	24,000.00

Step 3: Pass a payment entry of Advertisement expenses on 1-4-09 for ₹ 5000

1.4.2009	Advertisement Expenses A/c..... dr	5000.00
	To Cash A/c	5000.00

Accounting Voucher Creation New India Traders Ctrl + M

Payment No. 6 1-Apr-2009 Wednesday

Account : Cash
Cur Bal: 3,067.00 Dr

Particulars	Amount
Advertisement Expenses Cur Bal: 34,000.00 Dr	5,000.00
Narration: being amount paid for advertisement	5,000.00

Step 4: Now check the report of budgeted value, whether the expense has crossed the budget limit or not.

Budget report is checked from Profit & Loss Account. In Profit & loss Account we have to create a new column through ALT+B for budget variance report. Below is the process to get the budget variance report.



Gateway of Tally → Profit & Loss Account

Profit & Loss A/c		New India Traders		Ctrl + M	X
Particulars	New India Traders 1-Apr-2009 to 1-May-2009	Particulars	New India Traders 1-Apr-2009 to 1-May-2009		
Purchase Accounts		Sales Accounts			
Purchase		Sales			
Purchase Return		Sales Return			
Direct Expenses					
Heating & Lighting					
Labour Charges					
Gross Profit c/o					
Indirect Expenses	37,200.00	Gross Profit b/f			
Advertisement Expenses	5,000.00	Indirect Incomes			
Bank Charges		Commission Received	38,000.00		
Carriage Outward		Discount Received	2,000.00		
Commission Paid	1,200.00	Interest Received	35,000.00		
Depreciation	12,000.00				
Discount Allowed	2,000.00				
Interest Paid					
Loss on Sale of an Assets	5,000.00				
Postage & Telegram					
Printing & Stationery					
Rent	9,000.00				
Repairs & Maintenance	1,000.00				
Salary					
Telephone Bill	2,000.00				
Tour & Travelling Expenses					
Nett Profit	37,800.00				
Total	75,000.00	Total	75,000.00		

Budget was created on Advertisement A/c, so select that ledger only

Our transaction date was 1.4.2009, so select report based on that month

Entry was passed for ₹5000.00 now we have to check the budget variance report for the month of April.

Ledger Monthly Summary		New India Traders		Ctrl + M	
Particulars	Advertisement Expenses New India Traders 1-Apr-2009 to 2-Apr-2009				
	Transactions		Closing Balance		
	Debit	Credit			
Opening Balance					
April	9,000.00		9,000.00 Dr		
Grand Total	9,000.00		9,000.00 Dr		
Average	9,000.00		9,000.00 Dr		

New India Traders

Ctrl + M

List of Budgets

Variance Analysis

Budget for Advertisement

Budget

Budget :

Ledger Monthly Summary						New India Traders		Advertisement Expenses New India Traders 1-Apr-2009 to 1-May-2009 Budget for Advertisement		Advertisement Expenses New India Traders 1-Apr-2009 to 1-May-2009 Actuals		Closing Balance	
Particulars	Transactions		Closing Balance	Transactions		Closing Balance	Transactions		Closing Balance	Transactions		Closing Balance	
	Debit	Credit		Debit	Credit		Debit	Credit					
Opening Balance			7,826.09 Dr			5,000.00	63.89%					5,000.00 Dr	
April	260.87		8,086.96 Dr									5,000.00 Dr	
May												5,000.00 Dr	
Grand Total	8,086.96		8,086.96 Dr			5,000.00	61.13%						

Calculation of the Budget Variance report

	A	B	C	D	E
1	Budget period: 1 st April to 1 st July = 30+31+30+1= 92Days.				
2		April	May	June	July
3	Budgeted Amount	7826.09	8086.956522	7826.09	260.8695652
4		24000/92*30	24000/92*31	24000/92*30	24000/92*1
5	Actual Expenses				
6	Variance report	63.89			
7		B5/B3*100			

Expenses was made for 63.89%. So report shows a positive variance. If the expenses amount crossed ₹ 7826.09, then it shows negative variance.

Scenario Management, Including Reversing Journals and Optional vouchers

Scenario Management is the latest management tool provided in Tally by which the user can create multiple scenarios for the purpose of forecasting or to view provisional reports. This can be done by selectively including certain types of vouchers, which will in no way affect the regular books. The vouchers that are used in Scenario management are

1. Optional Voucher
2. Memorandum Voucher
3. Reversing Journal



Day - 40

LEARNING OBJECTIVES

- Advance features of Stocks
- Re-order Level

Advance features of Stocks and Re-order Level

Purchase & Sales illustrating stock behavior and features

Inventory Masters			
Allow ADVANCED entries in Masters	☒ Yes		
Use PART NUMBERS for Stock Items	☐ No		
Use Description for Stock Items	☐ No		

Name : Amla Plus (aico)			
Under : Hair Oil Category : Herbal Units : bottle Alternate Units : carton where : 1 carton = 25 bottle Alter Components (BoM) ? No	Tax Information Rate of Duty (eg 5) : 0	Behaviour Costing Method : Avg. Cost Market Valuation Method : Avg. Price Ignore Diff. due to Physical Counting ? No Ignore Negative Balances ? No Treat all Sales as New Manufacture ? No Treat all Purchases as Consumed ? No Treat all Rejections inward as Scrap ? No	
Opening Balance	Quantity : 100 bottle (4 carton)	Rate per : 32.00 bottle	Value : 3,200.00

Costing Method and Market Valuation Method

Zero Cost – In this method, the value of inventory is taken as zero. Generally the items, which can not be sold is value at zero cost.

Average Cost – Under the average approach, both inventory and the cost of goods sold are based upon the average cost of all units received in stock.

FIFO – Under FIFO, the cost of goods sold is based upon the cost of material bought earliest in the period, while the cost of inventory is based upon the cost of material bought later in the year. This results in inventory being valued close to current replacement cost.

FIFO Perpetual – Under the perpetual system the Inventory account is constantly (or perpetually) changing. When retailer purchases merchandise, the retailer debits its Inventory account for the cost; when the retailer sells the merchandise to its customers its Inventory account is credited and its Cost of Goods Sold account is debited for the cost of the goods sold. Rather than staying dormant as it does with the periodic method, the Inventory account balance is continuously updated.

With perpetual FIFO, the first (or oldest) costs are the first moved from the Inventory account and debited to the Cost of Goods Sold account. The end result under perpetual FIFO is the same as under periodic FIFO. In other words, the first costs are the same whether you move the cost out of inventory with each sale (perpetual) or whether you wait until the year is over (periodic).

Last Purchase Cost – This method values the inventory based on the replacement costs of items. Thus, the method uses the last purchase price for a product to determine the total value for those products.

LIFO Annual – Tally assumes the sale of the newest goods first, taking into account the current financial year.

LIFO Perpetual – With perpetual LIFO, the last costs are the first moved from the Inventory account and debited to the Cost of Goods Sold account. The end result under perpetual LIFO is the same as under periodic LIFO. In other words, the last costs are the same whether you move the cost out of inventory with each sale (perpetual) or whether you wait until the year is over (periodic).

Monthly Avg. Cost – Under this method, both inventory and the cost of goods sold are based upon the average cost of all units received in stock during the month.

Standard Cost – Under the Standard costing method approach, both inventory and the cost of goods sold are based on the standard fixed cost assigned to the items within the item manager at the time of reporting.

Ignore Negative Balances – If outward quantity is greater than inward quantity usually it shows negative balance, but in case of acceptance of this option, negative quantity will be ignored in reports.

Treat all Rejection Inward as scrap

This is another useful option in behavior section. It is useful especially for the perishable goods which have to be scrapped when it is rejected due to some manufacturing defect. Set the option Treat All Rejection Inward as Scrap to Yes while creating an item.

Reorder Level

It is a level of stock at which a replenishment order should be placed. Traditional "optimizing" systems use a variation on the computation of maximum usage multiplied by maximum lead, which builds in a measure of safety stock and minimizes the likelihood of a stock out.

Terminology :

Minimum stock – Amount of stock required to support testing operations until additional supplies are received

Lead time – Time between placing an order and receiving it

Maximum usage – number of test devices used in a given time period

Appropriation of Expenses with Inventory

While purchasing trading products, there may be some expenses. These expenses should get allocated into product rate because of recover from sale. It can automatically be adjusted with the product value using different allocation methods. The expense can be divided in the product quantity ratio or it can also be divided in product value ratio. These allocation methods are associated with account group. You can alter the group of the expense and specify the allocation method. As the allocation is made when the expense account will be used in the purchase voucher, generally the Direct Expense group gets modified for that purpose. We recommend you to create another group under direct expense group and specify the allocation method for that purpose. For your convenience we used Direct Expense group to illustrate.

For example we need to allocate the expense (Freight here) in product quantity ratio. For this purpose first we need to modify Direct expense and set it "Appropriate by Qty" for the option Method to Allocate when used in Purchase Invoice



Day - 41

LEARNING OBJECTIVES

- Payroll system in Tally

Payroll

The term 'payroll' encompasses every employee of a company who receives a regular wage or other compensation. Some employees may be paid a steady salary while others are paid for hours worked or the number of items produced. All of these different payment methods are calculated by a payroll specialist and the appropriate paychecks are issued. Companies often use objective measuring tools such as timecards or time sheets completed by supervisors to determine the total amount of payroll due each pay period.

Steps involved in Tally for payroll system

To activate payroll in Tally we have to follow the following steps:-

F11: Accounting features → Maintain payroll and more than one payroll.

Once the Payroll is activated in Tally the following two new options get activated in the Account Feature (F11 – F1)

Enable payroll structure feature

Set enable payroll statutory to yes.

Set/alter enable payroll statutory to yes.

For details we have to do all the following things

Pay on Hourly wages

Pay on a fixed basis such as certain amount per week, per month and so on

Pay to sales persons on commission

Reimbursement of expenses such as travel expenses, either as paid by the employee or based on per item rate

Pay on the basis of number of pieces produced/ manufactured/ sold It is therefore essential to quantify the following payroll information for the purpose of computation of payments to employees. For this purpose, the following Payroll masters have to be created in Tally.ERP 9 in the manner as discussed:

Employee Masters

Payroll Masters

Pay Head

Salary Detail

Employee Setup : The Employee Master records employee information – department, date of joining, date of leaving, ID number, designation, location, function, employee bank details, statutory details, Passport and Visa details, and so on.

Payroll Unit : A payroll unit refers to a unit of measurement based on which pay heads are calculated. Payroll units can be classified into two types viz., Simple Payroll Units and Compound Payroll Units. Simple Payroll Units refer to individual units such as Day, Week, Month, Hours, Pcs, Box, Nos etc., Whereas, Compound Payroll Units refer to Units which are combination of two simple units, i.e., an Hour of 60 Minutes, Month of 26 days, Day of 8 Hrs. Usually, the Pay components are computed based on a single or compound payroll units. Sometimes an employee may be paid on the basis of a combination of two or more units. For example, an employee is paid a regular salary and an hourly rate for the overtime hours. In this case, the two likely units are

Attendance/ Production Types : Attendance/Production Type masters are used to record the nature of attendance/production i.e., time and work rate. In Tally.ERP 9, you can create Attendance types based on time such as Present and Absent or based on work based production units such as Piece productions, Sales performance and so on.

Pay Heads: Pay Heads may be broadly considered as Earnings and Deductions from an employee's point of view. However, these pay heads would still be Expense and Liability from the employer's view point. Some examples of Earnings Pay Heads are Basic Salary, Dearness Allowance, City Compensatory Allowance, House Rent Allowance, Night Shift Allowance, Uniform Allowance, Sales Commission and so on. Some examples of Deductions pay heads are Employees' Provident Fund (EPF), Employees' State Insurance (ESI), Professional Tax, Income Tax, TDS, Advance (if any). In Tally.ERP 9, each pay head is to be created as an individual ledger account and grouped under its respective group i.e., all Earnings payheads under Indirect Expenses group or Direct Expenses group and all Deductions pay heads under Current Liabilities, Current Assets and Duties & Taxes group.

- 1) Earnings for Employees
- 2) Deductions from Employees
- 3) Employees' Statutory Deductions
- 4) Employer's Statutory Contributions
- 5) Employer's Other Charges
- 6) Bonus
- 7) Gratuity
- 8) Loans and Advances
- 9) Reimbursements to Employees

Gratuity Pay Head : Apart from the above Pay Heads, create Gratuity Expenses (Provisional) Account in order to get provisional Gratuity liability report for the employer at any given period. Gratuity refers to the monetary benefit given by the employer to the employee at the end of the employment for the services rendered over a period of employment either by law or otherwise. It is calculated provisionally at the end of each financial period to assess the possible liability of the company towards its employees. A Gratuity Provisional Account is created to capture the details required for the calculation of gratuity. Gratuity is calculated based on select salary components

Salary Details Setup : The Salary Details masters contain information on the Employee Group/ individual employee pay structure, comprising of both earnings and deductions pay components for the applicable period. Businesses having a common pay structure for a particular department or division or set of employees can define salary details for an employee group and classify individual employees under the specified group to inherit the parent pay values. The Employee Group master pre fills the parent group values to the individual employee masters created under them. It reduces the possibility of erroneous data entry and expedites data entry. This categorisation also helps in generation of Group-wise reporting. Pay structure constituting the Pay Heads and basis of calculation should be similar for the employees falling under the same group, but pay values need not be the same. Tally.ERP 9 also allows you to set up individual employee salary.



Day - 42

LEARNING OBJECTIVES

> Value added tax

Value Added Tax

VAT means Value Added Tax.

For example, you have purchased a textile cloth for ₹ 1,000 and after making a shirt and a trouser, you have sold these for ₹ 5,000. So value addition is ₹ 4,000 (₹ 5,000 – ₹ 1,000). VAT will be charged on this amount of ₹ 4,000. Thus, if the vat rate is 4% then the amount of vat will be ₹ 160 (4% of ₹ 4,000).

Particulars	Amount (₹)
Purchase price –	1,000
Tax paid on purchase (Input Vat) –	40
Purchase price (including vat) –	1,040
Less: Input Vat Credit –	40
Net price –	1,000
Add: Value Addition –	4,000
Sale price –	5,000
Add: Tax payable on sale price (Output Vat) –	200
Sale price –	5,200

VAT payable = ₹ 200 – ₹ 40 = ₹ 160

At the time of purchase, you have to pay ₹ 1,040 (1,000 + 40 as VAT) to the seller and at the time of sale, you will collect ₹ 5,200 (5,000 + 200 as VAT) from the purchaser. The net amount of ₹ 160 (200 – 40) is to be paid to the Government.

VAT is applied by the State Government. It is an indirect tax as the purchaser does not pay the amount of VAT directly to the Government.

VAT Rates

- 0% = items / goods having social implications like Newsprint, milk etc.;
- 1% = Precious stones or metals like Gold, Silver, Platinum, Ornaments etc;
- 4% = Medicine, Agriculture inputs etc;
- 20% = Luxury goods;
- 12.5% = Remaining goods.

Note: These are the generalized VAT rates. Different states may have different VAT rates. Please go through the websites of the concerned states for vat rates applicable in that state.

Input VAT

It is the amount of tax paid on purchases made by a dealer. In the above example, input vat is ₹ 40.

Output VAT

It is the amount of tax charged to the customer when goods are sold. In the above example, output vat is ₹ 200.

Input Tax Credit

You have already learnt the concept of Input Tax Credit in Service Tax. The same theory applies in VAT as well. Here also, a seller of goods can take credit of the tax paid on purchases. In the above example, the dealer can take input tax credit of ₹ 40.

Input tax credit on capital goods is also available. Some states like Maharashtra have provided 100% credit in respect of capital goods in the month of purchase. Some other states have opted for allowing credit in monthly installments (maximum no. of installments being 36).

Taxpayer's Identification Number (TIN)

All dealers registered under the VAT Act have to use 11 digits TIN. 9th digit of TIN indicates the type of tax. Under -

- ❖ The Central Sales Tax, it is 2, for example 19578989236
- ❖ The State Value Added Tax, it is 0, for example 19578989042

Composition Scheme

A registered dealer, having a gross annual turnover not exceeding a certain amount in the preceding year **may** opt for composition scheme. As per this scheme, the dealer will pay VAT at a specific percentage not exceeding 1% of turnover to the state government. The dealer opting for composition scheme is called a composite dealer. A **composite dealer** does not have to maintain regular books of account. He **cannot issue tax invoice**, cannot charge VAT in his bill and **cannot claim input tax credit** also. However, the following person shall not be eligible to opt for composition scheme -

- a. A manufacturer;
- b. Dealers affecting inter-state purchases and sales;
- c. Importers and exporters;
- d. Dealer transferring goods outside the state otherwise than by way of sale or for execution of works contract.

Tax Invoice

Every regular dealer has to issue original tax invoice to the buyer. The invoice should mention the VAT / CST Registration No. of the seller and the word "**TAX INVOICE**" on the face of the invoice. A composite dealer and an unregistered dealer however cannot issue tax invoice.

VAT Records

Every dealer liable to pay VAT should maintain the following records -

- a. Value and quantity of purchases, sales, branch transfer and stock;
- b. Copies of all invoices, credit and debit notes etc. issued.
- c. Purchase invoices, credit and debit note issued.
- d. Details of amount of tax charged.
- e. Details of vat.

All these records should be preserved for the period specified in state-laws (generally 5 years)

Payment of VAT

The dealer has to pay VAT to the Government before or at the time of furnishing return. Payment has to be made in prescribed Challan. The manner and frequency of payment of tax is mentioned in the State VAT Act. E-payment facility is also available in some states.

Submission of Return

Every registered dealer is to file VAT-returns periodically (monthly / quarterly / annually). The returns are to be filed in prescribed form within the prescribed time from the end of the period concerned. The returns are to be accompanied with the challans evidencing payment of VAT. In some states like West Bengal, e-filing of VAT returns has been made compulsory.



Day - 43

LEARNING OBJECTIVES

> VAT in Tally

VAT in Tally

In tally, you have to select a particular state. Here, we have selected West Bengal. You have to select the state in which you belong.

At first, you have to create a company in Tally with the following details –

Company Name : **Kolkata Traders**
Address : **27, Netaji Subhas Road, Kolkata – 700001**
Statutory compliance for : **India**
State : **West Bengal**
Telephone No. : **03322316000**
E-mail : **kolkatatraders@gmail.com**
Maintain : **Accounts with Inventory only**
Financial year : **1-4-2010**
Books beginning from : **1-4-2010**

Activate VAT in Tally

Press **F11** and then go to **Statutory & Taxation** (or press **F3**)

<table><tr><td>Enable Excise</td><td>? No</td></tr><tr><td>Set/Alter Excise Details</td><td>? No</td></tr><tr><td colspan="2"><i>(Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units)</i></td></tr><tr><td>Follow Excise rules for Invoicing</td><td>? No</td></tr><tr><td>Enable Value Added Tax (VAT)</td><td>? Yes</td></tr><tr><td>Set/Alter VAT Details</td><td>? Yes</td></tr></table>	Enable Excise	? No	Set/Alter Excise Details	? No	<i>(Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units)</i>		Follow Excise rules for Invoicing	? No	Enable Value Added Tax (VAT)	? Yes	Set/Alter VAT Details	? Yes	<table><tr><td colspan="2">VAT Details</td></tr><tr><td>State</td><td>: West Bengal</td></tr><tr><td>Type of Dealer</td><td>? Regular</td></tr><tr><td>Regular VAT Applicable From</td><td>: 1-4-2010</td></tr></table>	VAT Details		State	: West Bengal	Type of Dealer	? Regular	Regular VAT Applicable From	: 1-4-2010
Enable Excise	? No																				
Set/Alter Excise Details	? No																				
<i>(Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units)</i>																					
Follow Excise rules for Invoicing	? No																				
Enable Value Added Tax (VAT)	? Yes																				
Set/Alter VAT Details	? Yes																				
VAT Details																					
State	: West Bengal																				
Type of Dealer	? Regular																				
Regular VAT Applicable From	: 1-4-2010																				
<table><tr><td>VAT TIN (Regular)</td><td>: 19572323042</td></tr><tr><td>Local Sales Tax Number</td><td>:</td></tr><tr><td>Inter-state Sales Tax Number</td><td>:</td></tr><tr><td>PAN / Income - Tax No.</td><td>: AACPG4567R</td></tr></table>	VAT TIN (Regular)	: 19572323042	Local Sales Tax Number	:	Inter-state Sales Tax Number	:	PAN / Income - Tax No.	: AACPG4567R	<table><tr><td colspan="2">Additional Information</td></tr><tr><td>Name of the dealer</td><td>: Kolkata Traders</td></tr><tr><td>Authorised Person</td><td>: J. Ghosh</td></tr><tr><td>Status / Designation</td><td>: Proprietor</td></tr><tr><td>Place</td><td>: Kolkata</td></tr></table>	Additional Information		Name of the dealer	: Kolkata Traders	Authorised Person	: J. Ghosh	Status / Designation	: Proprietor	Place	: Kolkata		
VAT TIN (Regular)	: 19572323042																				
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Inter-state Sales Tax Number	:																				
PAN / Income - Tax No.	: AACPG4567R																				
Additional Information																					
Name of the dealer	: Kolkata Traders																				
Authorised Person	: J. Ghosh																				
Status / Designation	: Proprietor																				
Place	: Kolkata																				

Creation of VAT Commodity

Name	Calculator
Commodity under	Information Technology Product
Used for	VAT
Commodity Code	84.70
Schedule Number	Schedule C Part II
Schedule Serial Number	2

Creation of Stock Item

Name	Calculator
Under	Primary
Units	Pcs
Commodity	Calculator
Rate of VAT	4

Example

On 1.04.10, Kolkata Traders, purchased 10,000 calculators from Jain & Co. @ 600 plus VAT @4% and sold 9,000 calculators @ 700 plus VAT @4% to Paper House on 2.04.10.

The accounting treatment will be:

1.04.10	Purchases @4% A/c	60,00,000	
	Input VAT @4% A/c	2,40,000	
	To, Jain & Co. A/c		62,40,000
	(Being goods purchased from Jain & Co. after paying VAT@4%)		

Creation of Ledgers

Before passing this entry in Tally, you need to create the following ledgers –

Name	Purchases @4%
Under	Purchase Accounts
Inventory values are affected	Yes
Type of Ledger	N/A
Used in VAT Returns	Yes
Use for Assessable Value Calculation	Yes
Apportion for	VAT
Method of Apportion	Based on Value (Select from the list)

Name (alias)	Purchases @4%	
Under	Purchase Accounts	
Inventory values are affected	? Yes	
Type of Ledger	? ☐ Not Applicable	
Statutory Information		
Used In VAT Returns	? Yes	
Use for Assessable Value Calculation	? Yes	
Apportion for	? VAT	
Method of Apportion	: Based on Value	

VAT/Tax Class		
Purchases @ 4%		
Particulars	Activated From	Deactivated From
1 ... 9 more		
Purchase From URDs - Capital Goods @ 4%		
Purchase From URDs - Exempted	1-Apr-2009	30-Sep-2006
Purchase From URDs - Other Goods (Box 15E)		
Purchase From URDs - Taxable Goods @ 1%		30-Sep-2006
Purchase From URDs - Taxable Goods @ 12.5%		
Purchase From URDs - Taxable Goods @ 3.84%	1-Apr-2009	
Purchase From URDs - Taxable Goods @ 4%		
Purchase of Raw Jute - by Millers		30-Sep-2006
Purchase of Raw Jute - by Shippers		
Purchases @ 1%		
Purchases @ 12.5%		
Purchases @ 3.84%	1-Apr-2009	
Purchases @ 4%		



Name	Jain & Co.	Name	Jain & Co.
Under	Sundry Creditors	(alias)	
Maintain balances bill by bill	Yes	Under	Sundry Creditors (Current Liabilities)
		Maintain balances bill-by-bill	? Yes
		Default Credit Period	?
		Inventory values are affected	? No

Name	Input VAT @4%
Under	Duties & Taxes
Type of Duty/Tax	VAT (Select from the list)
VAT/Tax Class	Input VAT @4% (Select from the list)
Inventory values are affected	No
Rounding Method	N/A

Name : Input Vat @ 4% (alias)		VAT/Tax Class	
		Activated From Deactivated From	
		☐ Not Applicable Input VAT @ 1% Input VAT @ 12.5% Input VAT @ 3.84% 1-Apr-2009	
		Input VAT @ 4%	
Under	Duties & Taxes (Current Liabilities)	Name	Address
Type of Duty/Tax	VAT	State	
VAT/Tax Class	Input VAT @ 4%	PIN Code	
Inventory values are affected	? No	PAN / IT No.	
Percentage of Calculation (eg 5)	? 4 %		
Method of Calculation	On VAT Rate		
Rounding Method	☐ Not Applicable		
		Output VAT @ 1% Output VAT @ 12.5% Output VAT @ 12.5% on Works Contract Output VAT @ 3.84% Output VAT @ 4% Output VAT @ 4% on Works Contract Output VAT - Works Contract @ 4% Purchase From URDs - Capital Goods @ 12.5% Purchase From URDs - Capital Goods @ 4% Purchase From URDs - Taxable Goods @ 1% Purchase From URDs - Taxable Goods @ 12.5% Purchase From URDs - Taxable Goods @ 3.84% Purchase From URDs - Taxable Goods @ 4% Purchase of Raw Jute - by Millers Purchases - Capital Goods @ 12.5% Purchases - Capital Goods @ 4%	

Purchase of Goods

Path: Gateway of Tally → Accounting Vouchers → F9

Accounting Voucher Creation		Kolkata Traders	Ctrl + M
Purchase	No. 1		1-Apr-2010
Supplier Invoice No. :	Date :		Thursday
Party's A/c Name : Jain & Co.			
Current Balance :			
Purchase Ledger : Purchases @4%			
VAT/Tax Class: Purchases @ 4%			
Name of Item	Quantity	Rate per	Amount
Calculator	10,000 Pcs	600.00 Pcs	60,00,000.00
Input VAT @4%		4 %	2,40,000.00
Show Statutory Details ? Yes			
Narration:		10,000 Pcs	62,40,000.00
Being goods purchased from Jain & Co.			
Statutory Details			
Particulars	VAT		
Assessable Value	60,00,000.00		
VAT Amount	2,40,000.00		

Sale of Goods

Kolkata Traders sold 9,000 calculators @ 700 plus VAT @4% to Paper House on the next day.

2.11.10 Paper House A/c 65,52,000

 To, Sales @4% A/c 63,00,000

 To, Output VAT@4% A/c 2,52,000

(Being goods sold after charging VAT @4%)

You have to create the following ledgers:

Name	Sales @4%
Under	Sales Accounts
Inventory values are affected	Yes
Type of Ledger	N/A
Used in VAT Returns	Yes
Use for Assessable Value Calculation	Yes
Apportion for	VAT
Method of Apportion	Based on Value



Name : Sales @4% (alias)		VAT/Tax Class Sales @ 4%																																														
Under : Sales Accounts		<table border="1"> <thead> <tr> <th>Particulars</th> <th>Activated From</th> <th>Deactivated From</th> </tr> </thead> <tbody> <tr><td>1 ... 2 more</td><td></td><td></td></tr> <tr><td>Consignment/Branch Transfer Outward - Exempt Goods</td><td></td><td>30-Sep-2006</td></tr> <tr><td>Consignment/Branch Transfer Outward - Imported Goods</td><td></td><td>30-Sep-2006</td></tr> <tr><td>Consignment/Branch Transfer Outward - Rate > 12.5%</td><td></td><td>30-Sep-2006</td></tr> <tr><td>Consignment/Branch Transfer Outward - Tax Rate < 4%</td><td></td><td>30-Sep-2006</td></tr> <tr><td>Consignment/Branch Transfer Outward (Within State)</td><td></td><td></td></tr> <tr><td>Exports</td><td></td><td></td></tr> <tr><td>Inter-State Sales</td><td></td><td></td></tr> <tr><td>Other Exempt Sales</td><td></td><td></td></tr> <tr><td>Sale in the Course of Export Out of India</td><td></td><td></td></tr> <tr><td>Sales @ 1%</td><td></td><td></td></tr> <tr><td>Sales @ 12.5%</td><td></td><td></td></tr> <tr><td>Sales @ 3.84%</td><td>1-Apr-2009</td><td></td></tr> <tr><td>Sales @ 4%</td><td></td><td></td></tr> </tbody> </table>		Particulars	Activated From	Deactivated From	1 ... 2 more			Consignment/Branch Transfer Outward - Exempt Goods		30-Sep-2006	Consignment/Branch Transfer Outward - Imported Goods		30-Sep-2006	Consignment/Branch Transfer Outward - Rate > 12.5%		30-Sep-2006	Consignment/Branch Transfer Outward - Tax Rate < 4%		30-Sep-2006	Consignment/Branch Transfer Outward (Within State)			Exports			Inter-State Sales			Other Exempt Sales			Sale in the Course of Export Out of India			Sales @ 1%			Sales @ 12.5%			Sales @ 3.84%	1-Apr-2009		Sales @ 4%		
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Use for Assessable Value Calculation ? Yes																																																
Apportion for ? VAT																																																
Method of Apportion : Based on Value																																																

Name	Paper House	Name : Paper House (alias)
Under	Sundry Debtors	Under : Sundry Debtors (Current Assets)
Maintain balances bill by bill	Yes	Maintain balances bill-by-bill ? Yes
		Default Credit Period : No
		Inventory values are affected ? No

Name	Output VAT @4%
Under	Duties & Taxes
Type of Duty/Tax	VAT
VAT/Tax Class	Output VAT @4% (Select from the list)
Inventory values are affected	No
Rounding Method	N/A

Name : Output Vat @4% (alias)		<table border="1"> <thead> <tr> <th>Particulars</th> <th>Activated From</th> <th>Deactivated From</th> </tr> </thead> <tbody> <tr><td>Not Applicable</td><td></td><td></td></tr> <tr><td>Input VAT @ 1%</td><td></td><td></td></tr> <tr><td>Input VAT @ 12.5%</td><td></td><td></td></tr> <tr><td>Input VAT @ 3.84%</td><td>1-Apr-2009</td><td></td></tr> <tr><td>Input VAT @ 4%</td><td></td><td></td></tr> <tr><td>Output VAT @ 1%</td><td></td><td></td></tr> <tr><td>Output VAT @ 12.5%</td><td></td><td></td></tr> <tr><td>Output VAT @ 12.5% on Works Contract</td><td>1-Apr-2009</td><td>14-Sep-2009</td></tr> <tr><td>Output VAT @ 3.84%</td><td></td><td></td></tr> <tr><td>Output VAT @ 4%</td><td></td><td></td></tr> <tr><td>Output VAT @ 4% on Works Contract</td><td>1-Apr-2009</td><td>14-Sep-2009</td></tr> <tr><td>Output VAT - Works Contract @ 12.5%</td><td>1-Apr-2009</td><td></td></tr> <tr><td>Output VAT - Works Contract @ 4%</td><td>1-Apr-2009</td><td></td></tr> <tr><td>Purchase From URDs - Capital Goods @ 12.5%</td><td></td><td>30-Sep-2006</td></tr> <tr><td>Purchase From URDs - Capital Goods @ 4%</td><td></td><td>30-Sep-2006</td></tr> <tr><td>Purchase From URDs - Taxable Goods @ 1%</td><td></td><td></td></tr> <tr><td>Purchase From URDs - Taxable Goods @ 12.5%</td><td></td><td></td></tr> <tr><td>Purchase From URDs - Taxable Goods @ 3.84%</td><td>1-Apr-2009</td><td></td></tr> <tr><td>Purchase From URDs - Taxable Goods @ 4%</td><td></td><td>30-Sep-2006</td></tr> <tr><td>Purchase of Raw Jute - by Millers</td><td></td><td></td></tr> <tr><td>Purchases - Capital Goods @ 12.5%</td><td></td><td></td></tr> <tr><td>Purchases - Capital Goods @ 4%</td><td></td><td></td></tr> </tbody> </table>		Particulars	Activated From	Deactivated From	Not Applicable			Input VAT @ 1%			Input VAT @ 12.5%			Input VAT @ 3.84%	1-Apr-2009		Input VAT @ 4%			Output VAT @ 1%			Output VAT @ 12.5%			Output VAT @ 12.5% on Works Contract	1-Apr-2009	14-Sep-2009	Output VAT @ 3.84%			Output VAT @ 4%			Output VAT @ 4% on Works Contract	1-Apr-2009	14-Sep-2009	Output VAT - Works Contract @ 12.5%	1-Apr-2009		Output VAT - Works Contract @ 4%	1-Apr-2009		Purchase From URDs - Capital Goods @ 12.5%		30-Sep-2006	Purchase From URDs - Capital Goods @ 4%		30-Sep-2006	Purchase From URDs - Taxable Goods @ 1%			Purchase From URDs - Taxable Goods @ 12.5%			Purchase From URDs - Taxable Goods @ 3.84%	1-Apr-2009		Purchase From URDs - Taxable Goods @ 4%		30-Sep-2006	Purchase of Raw Jute - by Millers			Purchases - Capital Goods @ 12.5%			Purchases - Capital Goods @ 4%		
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Under : Duties & Taxes (Current Liabilities)	Name																																																																							
Type of Duty/Tax : VAT	Address																																																																							
VAT/Tax Class : Output VAT @ 4%	State																																																																							
Inventory values are affected ? No	PIN Code																																																																							
Percentage of Calculation (eg 5) : 4 %	PAN / IT No.																																																																							
Method of Calculation : On VAT Rate																																																																								
Rounding Method : Not Applicable																																																																								

Alteration of Voucher Type

Path: Gateway of Tally → Accounts Info → Voucher Types → Alter → Sales

Default Print Title Tax Invoice
Is Tax Invoice Yes

Name : Sales (alias) :	
General	
Type of Voucher : Sales	Printing Print after saving Voucher ? No
Abbr. : Sale	
Method of Voucher Numbering ? Automatic	Use for POS Invoicing ? No
Use Advance Configuration ? No	Default Print Title : Tax Invoice
Use EFFECTIVE Dates for Vouchers ? No	Is Tax Invoice ? Yes
Make 'Optional' as default ? No	Declaration :
Use Common Narration ? Yes	
Narrations for each entry ? No	

Entry for Sale

Path: Gateway of Tally → Accounting Vouchers → F8

Accounting Voucher Creation		Kolkata Traders		Ctrl + M
Sales No. 1				2-Apr-2010 Friday
Ref. :				
Party's A/c Name : Paper House				
Current Balance :				
Sales Ledger : Sales @4%				
VAT/Tax Class: Sales @ 4%				
Name of Item		Quantity	Rate per	Amount
Calculator		9,000 Pcs	700.00 Pcs	63,00,000.00
Output VAT @4%			4 %	2,52,000.00
Show Statutory Details ? Yes				
Narration:				
Being goods sold after charging VAT @4%		9,000 Pcs		65,52,000.00
Statutory Details				
Particulars				VAT
Assessable Value				63,00,000.00
VAT Amount				2,52,000.00



Report

Path: Display → Statutory Reports → VAT Reports → VAT Computation

VAT Computation		Kolkata Traders		Ctrl + M
Particulars		Kolkata Traders 1-Apr-2010 to 30-Apr-2010		
		Assessable Value	Tax Amount	
Sales				
A. Output Tax				
Output VAT @ 4%		63,00,000.00	2,52,000.00	
Total Output Tax		63,00,000.00	2,52,000.00	
Purchases				
B. Input Tax				
Excess Input Credit Brought Forward		60,00,000.00	2,40,000.00	
Input VAT @ 4%		60,00,000.00	2,40,000.00	
Total Input Credit		60,00,000.00	2,40,000.00	
VAT Payable			12,000.00	

Path: Gate way of Tally → Balance Sheet

Balance Sheet		Kolkata Traders		Ctrl + M
Liabilities		Kolkata Traders as at 2-Apr-2010		
		Assets		
Capital Account		Current Assets		71,52,000.00
Loans (Liability)		Closing Stock		6,00,000.00
Current Liabilities	62,52,000.00	Sundry Debtors		65,52,000.00
Duties & Taxes	12,000.00	Cash-in-hand		
Sundry Creditors	62,40,000.00			
Profit & Loss A/c	9,00,000.00			
Opening Balance				
Current Period	9,00,000.00			
Total	71,52,000.00	Total	71,52,000.00	

Adjustment of Input Credit

In the above balance sheet, Duties & Taxes is showing the net amount of VAT payable. As Kolkata Traders is a regular dealer, it can adjust input VAT credit of ₹ 2,40,000 against output VAT of ₹ 2,52,000. So on 30.04.10, the VAT adjustment entry will be:

30.04.10	Output VAT@4% A/c	2,52,000	
	To, Input VAT@4% A/c		2,40,000
	To, VAT Payable A/c		12,000
	(Being input VAT adjusted against output VAT)		

Path: Gateway of Tally → Accounting Vouchers → F7

Pass the entry in simple journal mode. This entry is to be passed on 1-5-10 in tally because of the limitation of educational version; but the actual entry should be passed on the last day of the respective month i.e. on 30.04.2010.

Accounting Voucher Creation		Kolkata Traders	Ctrl + M X
Journal	No. 1		1-May-2010 Saturday
Particulars	Debit	Credit	
By Output VAT @4%	2,52,000.00		
<i>Cur Bal: 0.00 Dr</i>			
To Input VAT @4%		2,40,000.00	
<i>Cur Bal: 0.00 Cr</i>			
To VAT Payable		12,000.00	
<i>Cur Bal: 12,000.00 Cr</i>			
Narration:			
Being input vat adjusted against output vat	2,52,000.00	2,52,000.00	

Path: Gateway of Tally → Balance Sheet

Balance Sheet		Kolkata Traders	Ctrl + M X
Liabilities	Kolkata Traders as at 1-May-2010	Assets	Kolkata Traders as at 1-May-2010
Capital Account		Current Assets	71,52,000.00
Loans (Liability)		<i>Closing Stock</i>	6,00,000.00
Current Liabilities	62,52,000.00	<i>Sundry Debtors</i>	65,52,000.00
Duties & Taxes		<i>Cash-in-hand</i>	
Sundry Creditors	62,40,000.00		
VAT Payable	12,000.00		
Profit & Loss A/c	9,00,000.00		
<i>Opening Balance</i>			
<i>Current Period</i>	9,00,000.00		
Total	71,52,000.00	Total	71,52,000.00

Payment of VAT

Let, on 2.5.10, Kolkata Traders paid the amount of VAT. The entry will be:

2.5.10	VAT Payable A/c	12,000	
	To, Bank A/c		12,000
	(Being VAT paid)		



Path: Gateway of Tally → Accounting Vouchers → F5

Accounting Voucher Creation		Kolkata Traders	Ctrl + M
Payment	No. 1	2-May-2010	Sunday
Particulars	Debit	Credit	
By VAT Payable Cur Bal: 0.00 Dr	12,000.00		
To Bank A/c Cur Bal: 12,000.00 Cr		12,000.00	
	12,000.00	12,000.00	
Narration:			
Ch. No: 654321 issued for payment of vat for the month of April, 2010.			

Period	1.4.2010 to 1.5.2010
Payment towards	VAT
Deposit Date	2.5.2010
Challan No.	123456
Name of the issuing Bank	SBI (Select from the list)
Branch Name	Netaji Subhash Road
Name of the Treasury	Howrah-II (Select from the list)
Branch code	1400

VAT Payment Details	
Period From	1-Apr-2010 To 1-May-2010
Payment towards	VAT
Type of Payment	☐ Not Applicable
Deposit Date	2-May-2010
Challan No.	123456
Name of the issuing Bank	STATE BANK OF INDIA
Branch Name	NETAJI SUBHASH ROAD
Name of the Treasury	HOWRAH-II
Branch code (remittance)	1400

Generation of return

Path: Display → Statutory Info → VAT Reports → VAT Forms → VAT Return

Printer : (Ne00:)	Paper Type : Letter
No. of Copies : 1	
Print Language : English	
Method : Neat Mode	
Page Range : All	
	Paper Size : (Printing Dimensions) 8.50" x 10.98" or (216 mm x 279 mm)
	Print Area : 8.50" x 10.98" or (216 mm x 279 mm)
Report Titles	
VAT Return Form	
From (blank for beginning) :	1-4-2010
To (blank for end) :	1-7-2010
Type of Return :	Original
Name :	J. Ghosh
Status/Designation :	Proprietor
Place :	Kolkata
Date :	1-7-2010
Print ?	
Yes or No	

Day - 44

LEARNING OBJECTIVES

- Different treatment of VAT in Tally

Different Treatment under VAT

Purchase from unregistered dealer

An unregistered dealer cannot issue tax invoice and cannot charge VAT in his bill. They sale goods at sale price without adding VAT. The dealer purchasing goods from an unregistered dealer does not have to pay any amount for VAT.

For example, on 01.01.11 Kolkata Traders purchased 100 calculators @ ₹ 600 from Gupta & Sons who is an unregistered dealer.

You have to create the following ledgers –

Name	Purchase from URD
Under	Purchases Accounts
Inventory values are affected	Yes
Type of Ledger	N/A
Used in VAT Returns	Yes
Use for Assessable Value Calculation	No

Ledger Creation		VAT/Tax Class																																														
Name	: Purchase From URD	☐ Not Applicable																																														
(alias)	:																																															
Under	: Purchase Accounts	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Activated From</th> <th>Deactivated From</th> </tr> </thead> <tbody> <tr> <td colspan="3">1 ... 4 more</td> </tr> <tr> <td>Consignment/Branch Transfer Inward (Within State)</td> <td></td> <td></td> </tr> <tr> <td>Imports</td> <td></td> <td></td> </tr> <tr> <td>Inter-State Purchases</td> <td></td> <td></td> </tr> <tr> <td>Non Creditable Purchases U/s 22</td> <td>1-Apr-2009</td> <td></td> </tr> <tr> <td>Purchase From URDs - Capital Goods @ 12.5%</td> <td></td> <td>30-Sep-2006</td> </tr> <tr> <td>Purchase From URDs - Capital Goods @ 4%</td> <td></td> <td>30-Sep-2006</td> </tr> <tr> <td>Purchase From URDs - Exempted</td> <td>1-Apr-2009</td> <td></td> </tr> <tr> <td>Purchase From URDs - Other Goods (Box 15E)</td> <td></td> <td>30-Sep-2006</td> </tr> <tr> <td>Purchase From URDs - Taxable Goods @ 1%</td> <td></td> <td></td> </tr> <tr> <td>Purchase From URDs - Taxable Goods @ 12.5%</td> <td></td> <td></td> </tr> <tr> <td>Purchase From URDs - Taxable Goods @ 3.84%</td> <td>1-Apr-2009</td> <td></td> </tr> <tr> <td>Purchase From URDs - Taxable Goods @ 4%</td> <td></td> <td></td> </tr> <tr> <td>Purchase of Raw Jute - by Millers</td> <td></td> <td>30-Sep-2006</td> </tr> </tbody> </table>		Particulars	Activated From	Deactivated From	1 ... 4 more			Consignment/Branch Transfer Inward (Within State)			Imports			Inter-State Purchases			Non Creditable Purchases U/s 22	1-Apr-2009		Purchase From URDs - Capital Goods @ 12.5%		30-Sep-2006	Purchase From URDs - Capital Goods @ 4%		30-Sep-2006	Purchase From URDs - Exempted	1-Apr-2009		Purchase From URDs - Other Goods (Box 15E)		30-Sep-2006	Purchase From URDs - Taxable Goods @ 1%			Purchase From URDs - Taxable Goods @ 12.5%			Purchase From URDs - Taxable Goods @ 3.84%	1-Apr-2009		Purchase From URDs - Taxable Goods @ 4%			Purchase of Raw Jute - by Millers		30-Sep-2006
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		Statutory Information																																														
Used in VAT Returns	? Yes																																															
Use for Assessable Value Calculation	? No																																															

Also, create the **Creditors Ledger**.

The entry will be:

01.01.11	Purchases A/c	60,000	
	To, Gupta & Sons A/c		60,000
	(Being goods purchased from Gupta & Sons)		



Accounting Voucher Creation				Ctrl + M
Purchase No. 4		Date :		1-Jan-2011 Saturday
Supplier Invoice No. :				
Party's A/c Name : Gupta & Sons				
Current Balance :				
Purchase Ledger : Purchase From URD				
VAT/Tax Class: Purchase From URDs - Taxable Goods @ 4%				
Name of Item	Quantity	Rate per	Amount	
Calculator	100 Pcs	600.00 Pcs	60,000.00	
☐ End of List				
Show Statutory Details ? Yes				
Narration:		100 Pcs	60,000.00	
Being goods purchased from Gupta & Sons, an unregistered dealer.				
Bengal Traders				
Statutory Details				
Particulars				VAT
				60,000.00
Assessable Value				

Purchase of Capital Goods

Capital Goods means goods used to manufacture or keep the goods in saleable condition, for example, fixed assets. Tax paid at the time of purchase of capital goods is also adjustable against Output VAT. In West Bengal, tax paid at the time of purchase of capital goods can be adjusted in four equal half-yearly installments if the purchase price of the goods exceeds ₹ 1,00,000 crore. If the purchase price of the goods does not exceed ₹ 1,00,000 crore, then input credit can be taken in one installment i.e. in the month of purchase.

For example, on 02.01.11 Kolkata Traders purchased a Machine of ₹ 5,00,00,000 plus VAT @ 4% from Bharat Machineries Ltd. Here, Kolkata Traders has paid input VAT on plant of ₹ 20,00,000. As the purchase price of the machine exceeds ₹ one crore, it can adjust the same in four equal half-yearly installments. It can adjust input VAT of ₹ 5,00,000 on 02.01.11, 2.7.2011, 2.01.2012 and on 2.7.2012.

You have to create the following ledgers:

Name	Plant & Machinery
Under	Fixed assets
Inventory values are affected	No
Used in VAT Returns	Yes

VAT/Tax Class		
☐ Not Applicable		
VAT/Tax Class		
Particulars	Activated From	Deactivated From
1 ... 18 more		
Purchases @ 1%		
Purchases @ 12.5%		
Purchases @ 3.84%	1-Apr-2009	
Purchases @ 4%		
Purchases(Against Form - H Deemed Export)	1-Apr-2009	
Purchases - Capital Goods @ 12.5%		
Purchases - Capital Goods @ 4%		
Purchases - Exempt		
Purchases From Composition Dealers		30-Sep-2006
Purchases - From Unregistered Dealers		
Purchases In the Course of Import into India		
Purchases - MRP Based		
Purchases - Others		31-May-2006

Name	VAT Credit Deferred
Under	Loans & Advances (Asset)
Inventory values are affected	No

Name	Input VAT on Plant
Under	Duties & Taxes
Type of Duty/Tax	VAT
VAT/Tax Class	Purchases – Capital Goods @4% (Select from the list)
Inventory values are affected	No
Rounding Method	N/A

Name : Input Vat on Plant (alias)		Particulars		VAT/Tax Class		Activated From / Deactivated From	
		☐ Not Applicable Input VAT @ 1% Input VAT @ 12.5% Input VAT @ 3.84% Input VAT @ 4%				1-Apr-2009	
		Output VAT @ 1% Output VAT @ 12.5% Output VAT @ 12.5% on Works Contract Output VAT @ 3.84% Output VAT @ 4%				14-Sep-2009	
Under : Duties & Taxes (Current Liabilities)		Name		M			
Type of Duty/Tax : VAT		Address					
VAT/Tax Class : Purchases - Capital Goods @ 4%		State					
Inventory values are affected ? No		PIN Code					
Percentage of Calculation (eg 5) ? 4%		PAN / IT No.					
Method of Calculation : On VAT Rate							
Rounding Method : ☐ Not Applicable							
		Ta					
		Purchases - Capital Goods @ 4%				30-Sep-2006	

Name	Bharat machineries Ltd
Under	Sundry Creditors
Maintain balances bill by bill	Yes

Entry for purchase of Capital Goods

02.01.11	Plant & Machinery A/c	5,00,00,000
	VAT Credit Deferred A/c	20,00,000
	To, Bharat Machineries Ltd A/c	5,20,00,000

(Being machine purchased after paying VAT @4%)

Accounting Voucher Creation		Ctrl + M X	
Journal	No. 2	2-Jan-2011 Sunday	
Particulars	Debit	Credit	
By Plant & Machinery	5,00,00,000.00		
Cur Bal: 5,00,00,000.00 Dr			
By VAT Credit Deferred	20,00,000.00		
Cur Bal: 20,00,000.00 Dr			
To Bharat Machineries Ltd		5,20,00,000.00	
Cur Bal: 5,20,00,000.00 Cr			
New Ref 2	5,20,00,000.00 Cr		
Narration:		5,20,00,000.00	5,20,00,000.00
Being machinery purchased on credit including vat			



02.01.11

Input VAT on Plant A/c

5,00,000

To, VAT Credit Deferred A/c

5,00,000

(Being VAT credit on plant adjusted)

Creation of Voucher Type for Capital Goods

Path: Gateway of Tally → Accounts Info → Voucher Type → Alter → Journal

Voucher Type Alteration		Bengal Traders	
Name	Journal		
(abbr)			
Type of Voucher	Journal	Use Class for VAT Adjustments	? Yes
Abbr	Jnl	Ledger account to use	
Method of Voucher Numbering	? Automatic	Ledger Name	
Use Advance Configuration	? No		
Use EFFECTIVE Dates for Vouchers	? No		
Make 'Optional' as default	? No		
Use Common Narration	? Yes		
Narrations for each entry	? No		
Printing	Print after saving Voucher ? No		
Name of Class	VAT Adjustment		

Path: Gateway of Tally → Accounting Vouchers → F7 → VAT Adjustment

Voucher Type	
Name	Journal
Class	
	Voucher Class List
	☐ Not Applicable
	VAT Adjustment

Accounting Voucher Creation		Ctrl + M	
Journal	No. 3	VAT/Tax Class	As
		Purchases - Capital Goods @ 4%	
		Purchase From URDs - Taxable Goods @ 3.84%	
		Purchase From URDs - Taxable Goods @ 4%	
		Purchase of Raw Jute - by Millers	
		Purchases - Capital Goods @ 12.5%	
		Purchases - Capital Goods @ 4%	
		2-Jan-2011	Sunday
Particulars	Debit	Credit	
By Input Vat on Plant	5,00,000.00		
Cur Bal: 5,00,000.00 Dr			
To VAT Credit Deferred		5,00,000.00	
Cur Bal: 15,00,000.00 Dr			
		5,00,000.00	5,00,000.00
Narration:			
Being 1/4th of vat credit transferred to input vat account			

Purchase Return

If after purchase, goods have been returned to the supplier, tax paid at the time of purchase will be reversed.

For example, on 1.2.11, Kolkata Traders purchased 200 calculators @ 500 plus VAT @ 4% from Pritam Electronics and on 2.2.11, it returned 50 calculators.

The entry will be:

1.2.11	Purchases @4% A/c	1,00,000	
	Input VAT@4% A/c	4,000	
	To, Pritam Electronics A/c		1,04,000
	(Being Goods purchased after paying VAT @4%)		

This entry is nothing new for you. **Pass the entry in simple purchase invoice.**

2.2.11	Pritam Electronics A/c	26,000	
	To, Purchases Return A/c		25,000
	To, Input VAT@4% A/c		1,000
	(Being 50 calculators returned and input tax paid adjusted)		

For this return, you need to use Debit Note to pass this entry in Tally. Make the Debit/Credit Note available from tally accounting feature (**Gateway of Tally → Accounting Features → Use Debit/Credit Notes – “Yes”**) and pass the return entry. Select **Return of taxable Goods** as used for option.

Path: Gateway of Tally → Accounting Vouchers → Debit Note

Accounting Voucher- Creation		Kolkata Traders	Ctrl + M
Debit Note No. 1			1-Feb-2011 Tuesday
Ref. :		Used for: Return Of Taxable Goods	
Party's A/c Name : Pritam Electronics Current Balance : 1,04,000.00 Cr Purchase Ledger : Purchases @4% VAT/Tax Class: Purchases @ 4%			
Name of Item	Quantity	Rate per	Amount
Calculator	50 Pcs	500.00 Pcs	25,000.00
Input VAT @4%		4 %	1,000.00
Show Statutory Details ? Yes			
Narration:			50 Pcs 26,000.00
Being goods returned being of inferior quality			

Drawings

In case of drawing of goods by the dealer, input credit taken at the time of purchase will be reversed. For example, on 1.3.11, Kolkata Traders purchased 200 calculators @ ₹ 400 plus VAT @ 4% by Cheque of SBI. On 2.3.11, J. Ghosh, proprietor of Kolkata Traders withdrew 20 calculators for his personal use. VAT paid on purchase of these 20 calculators will be reversed.

The entry will be:

1.3.11	Purchases @4% A/c	80,000	
	Input VAT@4% A/c	3,200	
	To, Cash A/c		83,200
	(Being goods purchased after paying VAT @4%)		



2.3.11

Drawings A/c

8,320

To, Purchases A/c

8,000

To, Input VAT@4% A/c

320

(Being goods withdrawn by proprietor and input VAT reversed)

Pass this entry through VAT Adjustment voucher type.

Accounting Voucher Creation		Bengal Traders		Ctrl + M X	
Journal No. 4		Voucher Class : VAT Adjustment		2-Mar-2011 Wednesday	
		Used for: Reverse Credit on Others			
Particulars		Debit		Credit	
By Drawings		8,320.00			
Cur Bal: 8,320.00 Dr					
To Purchases @4%				8,000.00	
Cur Bal: 51,97,000.00 Dr					
Calculator 20 Pcs @400/Pcs	8,000.00				320.00
To Input Vat @ 4%					
Cur Bal: 15,880.00 Dr					
		8,320.00		8,320.00	
Narration: Being goods withdrawn by the proprietor & input credit reversed					

Branch Transfer

If the goods have been purchased in West Bengal and subsequently transferred to another state by branch transfer, input credit to the extent of 2% will be reversed. For example, on 1.3.11, Kolkata Traders transferred 200 calculators @ ₹ 500 to its Mumbai Branch. The entries will be:

1.3.11

Mumbai Branch A/c

1,02,000

To, Sales @4% A/c

1,00,000

To, Input VAT@4% A/c

2,000

(Being goods transferred to Mumbai Branch and 2% input VAT reversed)

You have to create the following ledgers:

Name	Mumbai Branch
Under	Branch/Division

Name	Branch Transfer
Under	Sales Accounts
Inventory values are affected	Yes
Type of Ledger	Not applicable
Used in VAT Returns	Yes
Use for Assessable Value Calculation	Yes
Apportion for	VAT
Method of Apportion	Based on Value

Ledger Creation	
Name (alias)	Branch Transfer
Under	Sales Accounts
Inventory values are affected	? Yes
Type of Ledger	? ☐ Not Applicable
Statutory Information	
Used In VAT Returns	? Yes
Use for Assessable Value Calculation	? Yes
Apportion for	? VAT
Method of Apportion	: Based on Value

VAT/Tax Class	
☐ Not Applicable	
Particulars	Activated From Deactivated From
☐ Not Applicable	
Consignment/Branch Transfer Outward	
Consignment/Branch Transfer Outward - Exempt Goods	30-Sep-2006
Consignment/Branch Transfer Outward - Imported Goods	30-Sep-2006

For this transaction, you have to pass two entries. One is for transfer that has to be passed through a new voucher type "Branch Transfer Outward" and another entry is for reversing VAT to be passed through VAT Adjustment.

Form to receive

F Form

Form No.

42/10-11dt 1.3.2010

Accounting Voucher Creation		Kolkata Traders	Ctrl + M
Branch Transfer Outward No. 1		2-Mar-2011	
Ref.:		Wednesday	
Party's A/c Name : Mumbai Branch			
Current Balance :			
Sales Ledger : Branch Transfer			
VAT/Tax Class: Consignment/Branch Transfer Outward			
Name of Item	Quantity	Rate per	Amount
Calculator	200 Pcs	500.00 Pcs	1,00,000.00
☐ End of List			
Form to Receive : F Form		Form No : 42/10-11 Date : 1-Mar-2011	
Show Statutory Details ? Yes			
Narration:		200 Pcs	1,00,000.00
Being goods transferred to Mumbai Branch.			

Now pass the entry for VAT Adjustment towards reversal for branch transfer.

Accounting Voucher Creation		Kolkata Traders	Ctrl + M
Journal No. 5		1-Mar-2011	
Voucher Class : VAT Adjustment		Tuesday	
Used for: Reverse Credit on Stock Transfer			
Particulars	Debit	Credit	
By Mumbai Branch			
Cur Bal: 1,02,000.00 Dr			
To Input VAT @4%			
Cur Bal: 3,880.00 Dr			
	VAT/Tax Class	Assessable Value	
	Input VAT @ 4%	100000	
		2,000.00	
			2,000.00
Narration:		2,000.00	2,000.00
Being input vat reversed on branch transfer.			



Purchase of Goods from other states

Interstate purchase is liable to central sales tax instead of VAT. If a dealer is purchasing goods from another state, say Bihar, he is paying CST to the Govt. of Bihar. So the West Bengal Govt. will not give credit of the amount paid at the time of purchase. It means input CST cannot be adjusted against output VAT. The dealer has to add the amount of input CST with the cost of purchases.

For example, Kolkata Traders purchased 200 calculators @ 400 plus CST @2% on 1.7.10 from Patna Electronic House of Bihar. The purchase entry will be:

1.7.10	Purchases CST A/c	81,600
	To, Patna Electronic House A/c	81,600
	(Being goods purchased from Bihar after paying CST @2%)	

Name	Purchases CST
Under	Purchase Accounts
Inventory values are affected	Yes
Type of Ledger	N/A
Used in VAT Returns	Yes
Method of Apportion	Based on Value

Ledger Creation	
Name (alias)	Purchases CST
Under	Purchase Accounts
Inventory values are affected	☒ Yes
Type of Ledger	☐ Not Applicable
Statutory Information	
Used in VAT Returns	☒ Yes
Use for Assessable Value Calculation	☒ Yes
Apportion for	☒ VAT
Method of Apportion	☒ Based on Value

VAT/Tax Class	
☐ Not Applicable	
Particulars	Activated From Deactivated From
☐ Not Applicable	
Branch Transfer Inward (As Agent/Auctioneer)	30-Sep-2006
Branch Transfer Inward (Within West Bengal)	31-May-2006
Consignment/Branch Transfer Inward	
Consignment/Branch Transfer Inward (Within State)	
Imports	
Inter-State Purchases	
Non Creditable Purchases U/s 22	1-Apr-2009

Name	CST @2%
Under	Duties & Taxes
Type of Duty/Tax	CST
VAT/TAX Class	Inter-State Sales
Inventory values are affected	No
Percentage of Calculation	2%
Method of Calculation	On Total sales

Name (alias)	CST @2%
Under	Duties & Taxes (Current Liabilities)
Type of Duty/Tax	CST
VAT/Tax Class	Inter-State Sales
Inventory values are affected	☐ No
Percentage of Calculation (eg 5)	☒ 2 %
Method of Calculation	☒ On Total Sales
Rounding Method	☐ Not Applicable

Accounting Voucher Creation		Kolkata Traders		Ctrl + M
Purchase	No. 2	Date :		1-Jul-2010 Thursday
Supplier Invoice No. :				
Party's A/c Name : Patna Electronic House				
Current Balance :				
Purchase Ledger : Purchase CST				
VAT/Tax Class: Inter-State Purchases				
Name of Item	Quantity	Rate per	Amount	
Calculator	200 Pcs	400.00 Pcs	80,000.00	
CST @2%		2 %	1,600.00	
Form to Issue : C Form Form No : 10/10-11 Date : 1-Jun-2010				
Show Statutory Details ? Yes				
Narration:				
Being goods purchased from Bihar		200 Pcs	81,600.00	

Sale of Goods to other states

While selling goods, the dealer charges CST in his bill and pays CST to the West Bengal Govt. In this case, he can adjust input VAT against CST payable.

For example, on 2.7.10, Kolkata Traders sold 200 calculators to Shivaji Traders of Maharashtra @ 500 plus CST @ 2%. The entries will be:

2.7.10 Shivaji Traders A/c 1,02,000

 To, CST Sales A/c 1,00,000

 To, Output CST A/c 2,000

(Being goods sold after charging CST @2%)

To pass the above entry, you need to create **Output CST**, **CST Sales** and the **Party Account**.

Method of calculation will be on Total sales.

Accounting Voucher Creation		Kolkata Traders		Ctrl + M
Sales	No. 2	Ref. :		2-Jul-2010 Friday
Party's A/c Name : Shivaji Traders				
Current Balance :				
Sales Ledger : CST Sales				
VAT/Tax Class: Inter-State Sales				
Name of Item	Quantity	Rate per	Amount	
Calculator	200 Pcs	500.00 Pcs	1,00,000.00	
Output CST		2 %	2,000.00	
Form to Receive : C Form Form No : 123/10-11 Date : 1-Jul-2010				
Show Statutory Details ? Yes				
Narration:				
Being goods sold		200 Pcs	1,02,000.00	

Statutory Details	
Particulars	VAT
Assessable Value	1,00,000.00
VAT Amount	2,000.00



Report

Path: Display → Statutory Reports → VAT Reports → VAT Forms → VAT Return

Printer	: (Neo00:)	Paper Type	: Letter
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.50" x 10.98") or (216 mm x 279 mm)
Page Range	: All	Print Area	: (8.50" x 10.98") or (216 mm x 279 mm)
Report Titles			
VAT Return Form			
From (blank for beginning)		1-1-2011	
To (blank for end)		31-3-2011	
Type of Return		Original	
Name		J. Ghosh	
Status/Designation		Proprietor	
Place		Kolkata	
Date		31-3-2011	
			Print ?
			Yes or No

Day - 45**Class exercise**

1. Manohar Paul started a business of selling mobile phones within West Bengal in the name of M/s Manohar Bros. at 31, G.T.Road, Baidyabati, Hooghly – 712222. Registration no. of the dealer is 19572134024. On 1st May, 2010. It purchased 200 Samsung mobiles @ ₹ 5,000 plus VAT @12.5% from M/s Ambar Communication. On 2nd May, 2010, it sold 150 mobiles @ ₹ 6,000 plus 12.5% VAT.

Generate Return for the 1st quarter.

2. On 1st July, 2010, it purchased 1,000 Nokia Mobiles @ ₹ 5,000 plus 12.5% VAT from M/s Khosla Electronics. On 2nd July, 2010, it sold 800 Nokia mobiles @ 6,000 plus 12.5% VAT to M/s Mobile Stores. On the same day, it purchased a machine costing ₹ 2 crores plus VAT @12.5% from India Heavy Machineries Ltd.

Generate Return for the 2nd quarter.

3. On 1st October, 2010, it purchased 100 Sony Ericsson Mobiles @ ₹ 5,000 plus VAT @ 12.5% from M/s Sony World.

On 2nd October, 2010, it returned 5 Sony Ericsson Mobiles to the vendor because the seal was broken.

On 31st October, 2010, Manohar Paul took 2 Nokia Mobiles for his personal use.

4. On 1st Jan, 2011, Manohar Bros. purchased 100 Motorola mobiles @ ₹ 5,000 plus CST @2% from Bengaluru Electronics of Karnataka.

On 31st Jan, it sold 50 Nokia Mobiles @ ₹ 6,000 plus CST @2% to Guwahati Electronics.

Pass necessary entries in Tally, show the reports and generate returns.

Day - 46

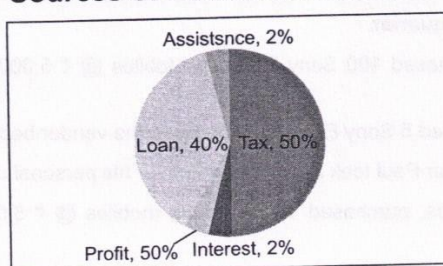
LEARNING OBJECTIVES

- Tax deducted at Source

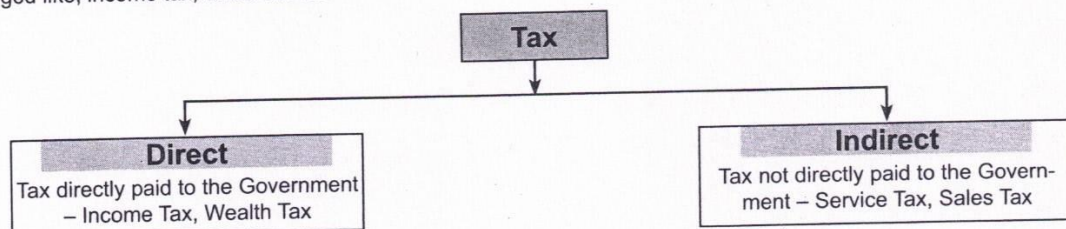
Tax Deducted at Source

Government needs huge fund to expend for the welfare of the citizens of the country like construction of roads & bridges, expenses on health & education, expenses on national security etc. Sources of Government Income are profit of Government departments, loans from public or financial institutions, assistance from other countries or income from investments. But the main source of income of the Government is tax.

Sources of Government Income



Tax is a small sum imposed upon the members of the country to meet its expenses. It is a charge or burden laid upon persons or property for the support of a government. Government decides the rate and the items on which tax will be charged like, income tax, sales tax etc.



Income Tax

Income tax means tax on income. If any person earns income, he has to pay some portion of that income to the Government as income tax subject to certain exceptions. The rate is fixed by the Central Government. Income tax in India is governed by the Income Tax Act, 1961.

To understand the topic, you have to be familiar with the following terms –

Assessee

Any person who is liable to pay tax or other sum of money like, interest, penalty etc under the act is an assessee. For example, if you are paying income tax to the Government, then you will be an assessee under this Act.

Previous Year

Previous year means the financial year in which the income is earned. For example, you are earning income in the year 2010-11. So, 2010-11 will be your previous year.

As per the Income Tax Act, financial year starts on 1st April and ends on 31st March. So, we are in the financial year 2010-11 which has started on 1st April, 2010 and will end on 31st March, 2011.

Assessment Year

Assessment year is the year just after the previous year in which income of the previous year is assessed or computed. For example, what you have earned in the previous year 2010-11 will be assessed in the Assessment year 2011-12. Assessment year always starts on 1st April and ends on 31st March.

Person

The term person includes the following –

- ❖ Individual
- ❖ Hindu Undivided Family (HUF)
- ❖ Company
- ❖ Firm
- ❖ Association of Persons (AOP) or Body of Individual (BOI)
- ❖ Local Authority
- ❖ Every artificial judicial person not falling under any of the preceding categories.

Rates of Income Tax

For Individual/HUF

Senior Citizen (₹)	Women below 65 years (₹)	Others (₹)	Rate of tax
Nil – 2,40,000	Nil – 1,90,000	Nil – 1,60,000	Nil
2,40,000 – 5,00,000	1,90,000 – 5,00,000	1,60,000 – 5,00,000	10%
5,00,000 – 8,00,000	5,00,000 – 8,00,000	5,00,000 – 8,00,000	20%
Above 8,00,000	Above 8,00,000	Above 8,00,000	30%

Plus Education Cess @2% and Secondary & Higher Education Cess @1% on the above rates.

Firms

30% + Education Cess @2% and Secondary & Higher Education Cess @1%

Companies

30% + Surcharge @7.5% (if income exceeds ₹ 1 crore) + Education Cess @2% and Secondary & Higher Education Cess @1%

Example

Aggregate income of Mr. Nikhil Chopra (Age 36) for the assessment year 2011-12 is ₹11,50,000. Calculate the net tax payable by him.

Solution

Slab	Rate of Tax	Amount in slab	Amount of Tax
Nil – 1,60,000	Nil	1,60,000	Nil
1,60,000 – 5,00,000	10%	3,40,000	34,000
5,00,000 – 8,00,000	20%	3,00,000	60,000
Above 8,00,000	30%	3,50,000	1,05,000
		11,50,000	1,99,000
Add: E Cess	2%		3,980
Add: SHE Cess	1%		1,990
Net Tax Payable			2,04,970



Day - 47

LEARNING OBJECTIVES

➤ Rates of TDS

TDS

Income of a previous year is calculated in the assessment year and tax is paid thereafter. For example, If a person earns income in the year 2010-11, it will be calculated in the year 2011-12 and tax will also be payable in 2011-12. So, the Government has to wait for the fund till the end of the previous year.

Again, if a person receives ₹ 20,000 as monthly salary, his annual income will be ₹ 2,40,000. Let us assume that, tax payable by the person as calculated on the above income is ₹ 24,000. Now, if Government demands the total tax at the end of the year it will be difficult for the person to pay the whole amount tax. If this amount of ₹ 24,000 is divided into 12 installments and deducted from the salary of each month, then it will be easier for him to pay tax to the Government. At the time of payment of salary, the employer will deduct ₹ 2,000 (₹ 24,000/12) as tax from the amount of salary and pay the same to the Government. The rest of ₹ 18,000 which is net of tax will be paid to the employee.

So, TDS is one of the means by which income tax is recovered from the assessee in the previous year itself.

Deduction of tax at the time of payment of money is called Tax Deducted at Source. It is the duty of the payer to deduct tax at the time of payment and to deposit it to the Government's treasury.

Rates of TDS

Section	Nature of Payment		No TDS upto	Rate (%)
192	Salaries		-	Rates applicable to an individual
193	Interest on Securities		2,500	10
194A	Other Interest		✓ ₹ 10,000 in a Year if payment made by Banks / Co-operative Banks / Post Offices ✓ ₹ 5,000 in other cases	10
194B	Lottery/Cross Word Puzzle		✓ ₹ 5,000 up to 30.06.2010 ✓ ₹ 10,000 from 1.07.2010	30
194C	Contract:	In single bill	✓ ₹ 20,000 up to 30.06.2010 ✓ ₹ 30,000 from 1.07.2010	1% for Individual and HUFs and 2% for others
		In aggregate for the year	✓ ₹ 50,000 up to 30.06.2010 ✓ ₹ 75,000 from 1.07.2010	
194D	Insurance Commission		✓ Insurance Commission	10
194H	Commission or Brokerage		✓ ₹ 2,500 up to 30.06.2010 ✓ ₹ 5,000 from 01.07.2010	10
194I	Rent	Land / building / furniture / fittings	✓ ₹ 1,20,000 p.a. up to 30.06.2010.	10
		Plant and Machinery	✓ ₹ 1,80,000 from 01.07.2010	2
194J	Professional or Technical Fees / Royalty		✓ ₹ 20,000 up to 30.06.2010. ✓ ₹ 30,000 from 01.07.2010	10

Note:

- ❖ No surcharge to be added with the rates.

- ❖ The rates are to be further increased by Education Cess at the rate of 2% and Secondary and Higher Education Cess at the rate of 1% only in case of **salaries**.
- ❖ Where **PAN** of the deductee is **not available**, TDS will be deducted at the prescribed rate or **20%** which one is higher.

Time of Deduction of Tax

The payer should deduct tax either at the time of crediting the account of the payee (i.e. when due) or at the time of payment whichever is earlier.

Payment of TDS to the Government

Nature of Payment	Time-limit for deposit of tax
Payment is made by or on behalf of the Government	7 days from the end of the month in which deduction is made or tax due
Any other case	Within 7 days from the end of the month in which deduction is made or tax due. 30th April where the income or amount is credited or paid in the month of March.

Issue of TDS Certificate

Payment	Form No.	Time-limit for issue of certificate
Salary	16	31st May of the next year
Other than salary	16A	Within 15 days from the due date of furnishing the TDS return

Quarterly return to the Income Tax Department

Payment	Form No	Time-limit
Salary	24Q & 27A	15th July of the financial year
Other payment to a resident	26Q & 27A	15th October of the financial year
Other payment to a non-resident	27Q & 27A	15th January of the financial year
		15th May of the next financial year



Day - 48

LEARNING OBJECTIVES

- TDS in Tally

TDS in Tally

Activate TDS in Tally

Press **F11** and then go to **Statutory & Taxation** (or press **F3**)

Gateway of Tally	
Company Features	
Accounting Features	
Statutory & Taxation	
Tally.NET Features	
Quit	

Enable Tax Deducted at Source (TDS) ? Yes
 Set/Alter TDS Details ? Yes

Company TDS Deductor Details	
Tax Assessment Number	: CALS01222B
Head Office Tax Assessment Number	:
Income Tax Circle/Ward (TDS)	: 42(4)
Deductor Type	: Others
Name of person responsible	: Partha Mondal
Son/daughter of	: Sarathi Mondal
Designation	: Accounts Manager
(Note: All the above details will be used in Challan, Forms & Returns)	

Example

On 1st May, 2010, Jain & Co. has taken a loan of ₹10,00,000 from ABC Finance Co. Interest @ 14% p.a. is to be paid on monthly basis. Therefore monthly interest will be ₹11,666.67 (₹10,00,000 x 14% x 1/12). Annual interest being higher than ₹ 5,000, the payment will be subject to deduction of tax.

Creation of Ledgers

Path : Gateway of Tally → Accounts Info → Ledgers → Create

Name	: SBI
Under	: Bank Accounts
Address	: 14, N S Road, Kolkata - 700001, West Bengal
A/c No.	: 11107012345
Branch Name	: N S Road
BSR Code	: 0000144

Name	: Loan from ABC Finance Co.
Under	: Loans (Liability)
Inventory values are affected	: No
Is TDS Deductable	: No

TALLY

Name	: Interest on Loan
Under	: Indirect Expenses
Is TDS Applicable	: Yes
Default Nature of Payment	: Interest other than Interest on Securities (Select from the list)

Name	: ABC Finance
Under	: Creditors for Expenses under Sundry Creditors (Create online)
Maintain balances bill by bill	: Yes
Inventory values are affected	: No
Is TDS Applicable	: Yes
Deductee Type	: Partnership firm (Select from the list)
PAN / IT No.	: AAAPA2341P

Name	: TDS on Interest
Under	: Duties & Taxes
Type of Duty	: TDS
Nature of Payment	: Interest other than Interest on Securities

Entry

For receipt of loan from ABC Finance

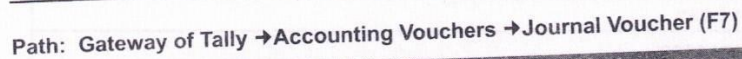
1.5.2010	SBI A/c	Dr	10,00,000	
	To, Loan from ABC Finance Co. A/c			10,00,000
	(Being amount received as loan)			

Path: Gateway of Tally → Accounting Vouchers → Receipt Voucher (F6)

Accounting Voucher Creation			Ctrl + M
Receipt	No. 1		1-May-2010 Saturday
Particulars	Debit	Credit	
To Loan From ABC Finance Co. Cur Bal: 10,00,000.00 Cr		10,00,000.00	
By SBI Cur Bal: 10,00,000.00 Dr	10,00,000.00		
Narration:			
Ch. No: 654321 received from ABC Finance Co. as loan @ 14%	10,00,000.00	10,00,000.00	

For charging interest

31.5.2010	Interest on Loan A/c	Dr	11,666.67	
	To, ABC Finance Co. A/c			10,499.67
	To, TDS on Interest A/c			1,167



For payment of Interest

For payment of Interest		
1.6.2010	ABC Finance Co. A/c Dr	10,499.67
	To, SBI A/c	10,499.67

Path: Gateway of Tally → Accounting Vouchers → Payment Voucher (F5)

For payment of TDS

Path: Gateway of Tally → Accounting voucher → Payment (F5)

Press **Alt + S** to enter TDS details. Pass the entry in **single entry** mode.

TDS Helper		Payment Details	
Deducted Till Date	: 31-5-2010	From Date	: 1-May-2010
Section	: 194A	To Date	: 31-May-2010
Nature of Payment	: Interest Other Than Interest on Securities	(Note: This payment belongs to the above period)	
Deductee Status	: Non Company	Cheque/DD No	: 600300
Cash/Bank	: SBI	Name of Bank	: SBI A/c
		Bank Account Number	: 11107012345
		Branch Name	: N S Road
		BSR Code	: 0000144
		Challan No.	: 15001
		Challan Date	: 2-6-2010
(Note: All the above details will be used in Challan, Forms & Returns)			

TDS Details			
Type of Ref	Name	Nature of Payment	Paid Amount
Agst Ref Jrnl / 1-1	Income Tax	Interest Other Than Interest on Securities	1,167.00 Cr
	Surcharge		
	Education Cess		
	Secondary Education Cess		

Accounting Voucher Creation		Kolkata Traders	Ctrl + M
Payment	No. 3	2-Jun-2010	Wednesday
Account : SBI A/c			
Cur Bal: 9,88,333.33 Dr			
Particulars		Amount	
TDS on Interest		1,167.00	
Cur Bal: 0.00 Dr			
Agst Ref Jrnl / 2-1	1,167.00 Dr		
Income Tax	1,167.00 Dr		
Surcharge			
Education Cess			
Secondary Education Cess			
Provide Details	: Yes		
Narration:			
Ch. No. 600300 issued for payment of TDS			
		1,167.00	



Generation of TDS Challan

Press Alt + P

Voucher Printing	
Printer : (Ne00:)	Paper Type : Letter
No. of Copies : 1	
Print Language : English	(Printing Dimensions)
Method : Neat Mode	Paper Size : (8.50" x 10.98") or (216 mm x 279 mm)
Page Range : All	Print Area : (8.50" x 10.98") or (216 mm x 279 mm)
Report Titles	
Payment Voucher	
Print as TDS Challan ? Yes	Print ? Yes or No
Print Chalan No ITNS 281 : Yes	
TDS/TCS Regular Assessment (Raised by LT. Dept.) ? Yes	
Filing Date : 1-Jul-2010	

From 01.04.2009, the challan used for submission of TDS will be Form 17 instead of ITNS281.

Path: Gateway of Tally → Display → Statutory reports → TDS report → Return → Print Form 16A

Path: Gateway of Tally → Display → Statutory reports → TDS report → Return → Form 26Q

Path: Gateway of Tally → Display → Statutory reports → TDS report → Return → Annexure to 26Q

Path: Gateway of Tally → Display → Statutory reports → TDS report → E-Return → E-TDS → Form 26Q

Path: Gateway of Tally → Display → Statutory reports → TDS report → E-Return → Print Form 27A

Day - 49

Class Exercise

1. Mr. Anirban Malhotra received salary from ICA Ltd. on 1st June, 2010 for the month of May, 2010 as follows:

- ❖ Gross Salary ₹ 20,000 per month.
- ❖ PF deducted ₹ 780 per month.
- ❖ P. Tax deducted ₹ 150 per month.

On 2nd June, ICA Ltd paid the amount of TDS into Government Treasury.

Make necessary entries in Tally and Generate Challan & Returns.

2. On 1st May' 2010 ICA Ltd. had taken a loan of ₹ 10,00,000 from Muthoot Finance Ltd. Interest to be charged @12% p.a. and to be credited at the end of each month. Outstanding interest is to be paid on 2nd of the following month.

Make necessary entries in Tally and Generate Challan & Returns.



Day - 50

LEARNING OBJECTIVES

➤ Service Tax

Service Tax

Service tax is a tax on services.

For example, courier service. Here the courier company works for your benefit i.e. delivers letters from you (sender) to the designated address (recipient). What the courier company is doing here is providing service.

Against this service, the courier company will charge some amount say ₹ 30 on you. This is the **value of service** provided. Now, if the courier company is charging tax on this amount, it will be termed as **Service Tax**.

So, if the rate of service tax is 10%, then you have to pay ₹ 3 (10% of ₹ 30) as service tax along with ₹ 30 to the courier company. Here, the courier company is the **service provider** and you are the **service receiver**. The courier company will collect ₹ 33 from you and will pay ₹ 3 to the Government.

Service tax is an **indirect** tax levied by the Central Government.

Features of Service Tax

- 1) Extends to whole of India except the State of Jammu & Kashmir.
- 2) Two persons are required. (Employees not covered)
- 3) At the rate of 10.3% of the value of taxable services.
- 4) Liability arises only when the amount has been received.

Registration

Query	Answer
By whom	Person providing taxable services
In what circumstances	Value of taxable services exceeds ₹ 9 lakhs
When	Within 30 days from the date when the value exceeds ₹ 9 lakhs
Application through	Form ST-1 in triplicate
To whom	Superintendent of Central Excise
Certificate	Within 7 days of submission of application
Registration No. (STC No.)	15 digits PAN based (ASDFR1245LST001)
More than one taxable service	Single application
More than one premises	a) Centralised billing / Accounting System exists - ❖ Single application b) Centralised billing / Accounting System does not exist - ❖ Separate application for each premises
Documents with ST-1	a) Copy of PAN b) Address Proof c) Constitution of the applicant (proprietorship, partnership)
Penalty for non-registration	Higher of the following - a) ₹ 200 per day of default or b) ₹ 5,000

Valuation of Taxable Service

Service tax is levied on the value of taxable service. Therefore, there is a need to value the taxable service at first so that tax payable can be calculated correctly on such value.

As per the Act, value of taxable service will be the gross amount charged by the service provider for such service provided or to be provided by the service provider. For example, gross amount charged by a service provider is ₹ 10,00,000. Then value of taxable service will be ₹ 10,00,000 and service tax payable is 10.30% of ₹ 10,00,000 or ₹ 1,03,000.

Where the gross amount charged is inclusive of service tax

Where the gross amount charged by a service provider is inclusive of service tax payable, the value of such service shall be calculated as follows –

$$\text{Value of Taxable Service} = \frac{\text{Gross amount charged (inclusive of service tax)} \times 100}{(100 + \text{Rate of service tax}) \text{ i.e. } 110.30}$$

$$\text{Service Tax Payable} = \frac{\text{Gross amount charged (inclusive of service tax)} \times 10.3}{(100 + \text{Rate of service tax}) \text{ i.e. } 110.30}$$

For example, a service provider provides taxable services the gross amount charged in respect of which is ₹ 10,00,000 inclusive of service tax. In this case, the value of taxable service = ₹ 10,00,000 x 100 / 110.3 or ₹ 9,06,618 and service tax payable = 10,00,000 x 10.3 / 110.3 or ₹ 93,382.

Services provided free of cost

No service tax is payable where the services are rendered free of cost.

Service Tax on Advance Payment

Gross amount charged for the taxable service shall include any amount received towards the taxable service before, during or after provision of such service. Accordingly, where any advance is received by the service provider for a service to be provided, then service tax is to be paid on the advance so received within 5th of the following month/quarter.



Day - 51

LEARNING OBJECTIVES

- Service Tax credit and exemption

Service Tax Credit

The service provider pays service tax on the services rendered by him. In the process of rendering the service, he might have availed the services of some other service provider also. In that case, the latter would have charged service tax. For example, a person providing maintenance services raises a bill on his client charging service tax of ₹ 900. At the same time, he has utilized the services of a consulting engineer in relation to the maintenance service. The consulting engineer charges ₹ 600 as service tax in his bill. Now the maintenance service provider can take this ₹ 600 as credit in his account and pay to the Government the net amount of ₹ 300 (₹ 900 – ₹ 600). This scheme is called the Service Tax Credit Scheme.

Exemption for Small Scale Units

Small Service Units means the service provider the aggregate value of taxable services rendered by which does not exceed ₹ 10 lakhs in the preceding financial year.

A small service provider is entitled to 100% exemption from service tax during the current financial year. If the aggregate value in any financial year exceeds ₹ 10 lakhs, then such excess over ₹ 10 lakhs shall be chargeable to service tax.

Payment of Service Tax

Query	Answer
Limit	Upto ₹10,00,000, no tax is payable. Payable if the value exceeds ₹ 10,00,000.
When	a) Individual, Proprietary, Partnership firm – Quarterly ✓ Within 5th of the month following the quarter ✓ Within 6th of the month following the quarter if paid electronically through net banking (within 8 p.m.) ✓ Within 31st March, for the month of March b) Any other assessee – Monthly ✓ Within 5th of the following month ✓ Within 6th of the following month if paid electronically through net banking (within 8 p.m.) ✓ Within 31st March, for the month of March
Through	GAR-7 challan
Mandatory e-payment	Paid service tax of ₹ 10 lakhs including cenvat credit in preceding year

Submission of Return

Through form **ST-3 (Half-yearly)** in triplicate within **25th** of the month following the half-year. Mandatory e-filing in case service tax payment exceeds ₹ 10 lakhs.

E-filing of Return

E-filing is a facility for electronic filing of Service Tax Returns through the Internet. Any Service Tax assessee having a 15-digit Service Tax Code No. can file return electronically. The service tax return can be filed electronically by logging on to

the website <http://servicetaxefiling.nic.in/>. Where an assessee has paid a total service tax of ₹ 10 lakhs or more including cenvat credit in the preceding financial year, he has to file the return electronically.

Abatement

Abatement is an exemption granted in respect of the value of taxable service. Therefore, the taxable value of such service = {Gross Value of Service x (100% - % of abatement)}

For example, a bill for rent a car is ₹1,000 on which 60% abatement is allowed. In this case, the value on which service tax will be charged will be reduced by ₹ 600 (₹ 1,000 X 60%) and service tax will be charged on ₹ 400 (₹ 1,000 – ₹ 600).

Abatement is applicable only if the service provider does not avail Service Tax Credit on input services.

Some of the services on which abatement is available are as follows:

Name of service	% of abatement
Banking and other financial services	30%
Construction Service	67%



Day - 52

LEARNING OBJECTIVES

- Service tax in Tally

Service Tax in Tally

Activate Service Tax in Tally

Press F11 and then go to Statutory & Taxation (or press F3)

Gateway of Tally	
Company Features	Enable Value Added Tax (VAT) ? No Set/Alter VAT Details ? No Enable Service Tax ? Yes Set/Alter Service Tax Details ? Yes
Accounting Features	
Statutory & Taxation	
Tally.NET Features	
Quit	

Company Service Tax Details			
Service Tax Registration No.	: AACPG4567RST001	Assessee Code	: AACPG4567RST001
Date of Registration	: 1-Apr-2009	Premises Code No.	: SB0103
Type of Organisation	: Individual/Proprietary	Is Large Tax Payer	? No
		Large Tax Payer Unit	:
Range	Division	Commissionerate	
Code : 03	Code : 01	Code : SB	
Name : I of Central -1 of Kol-1	Name : Central Division II	Name : Kolkata-I	
(Note: All the above details will be used in Challan, Forms & Returns)			

Entry for providing output services

On 2nd August, 2010, Kolkata Traders raised bill on ICA Infotech Pvt Ltd for the following delivery –

Sl. No	Date	Cn.No	Destination	Weight (kg)	Rate	Amount
1	01.08.2010	126801	Malda	100	10.00	1,000.00
Add: Service Tax @ 10.3%						103.00
Total						1,103.00

The following entry is to be passed in the books of Sky Dart –

2.8.10	ICA Infotech Pvt Ltd A/c	Dr	1,103	
	To, Courier Charges A/c			100
	To, Service Tax on Courier Charges A/c			2
	To, Education Cess on Courier Charges A/c			1
	To, Secondary & Higher E Cess on Courier Charges A/c			

You have to create the following ledgers in the books of Sky Dart –

Path : Gateway of Tally → Accounts Info → Ledgers → Create

Name	Under
ICA Infotech Pvt Ltd	Sundry Debtors
Courier Charges	Direct Income
Service Tax on Courier Charges	Duties & Taxes
Education Cess on Courier charges	Duties & Taxes
Secondary & Higher Education Cess on Courier Charges	Duties & Taxes

Now, you have to configure the Sales Voucher for the purpose of service tax (Accounting Vouchers → F8 → press F12)

Sales Invoice Configuration

Accept Supplementary Details (Address Details, Despatch Details etc.) ? Yes

Allow Separate Buyer and Consignee Names ? No

Use Common Ledger A/c for Item Allocation ? No

Use Defaults for Bill Allocations ? No

Now pass the entry in Tally of the services provided to ICA Infotech Pvt Ltd

Service Tax Details for : Courier Charges					
Type of Ref	Name	Type of Service	Category	Service Amount	Amount (Incl. of Tax)
New Ref	Sala/1-1	Taxable	Courier Agency	1,000.00	1,103.00
	Service Tax	@ 10 % (On Assessable Value	1,000.00)	100.00	Will come automatically
	Ed Cess	@ 2 % (On Tax Value	100.00)	2.00	
	Sec Ed Cess	@ 1 % (On Tax Value	100.00)	1.00	
				103.00	

Accounting Voucher Creation		Kolkata Traders	Ctrl + M X
Sales No. 3		2-Aug-2010 Monday	
Ref. : 1			
Party's A/c Name : ICA Infotech Pvt Ltd			
Current Balance :			
Particulars	Rate per	Amount	
Courier Charges		1,000.00	
Service Tax on Courier Charges		100.00	
E Cess on Courier Charges		2.00	
SHE Cess on Courier Charges		1.00	
Narration:		1,103.00	
Being bill raised for delivery of goods			



Receipt from the Service Receiver

On 31st August, 2010, Sky Dart received the entire amount from ICA Infotech Pvt. Ltd. through cheque (#110052 dt 31.8.10) of SBI.

Entry:	Bank A/c	Dr	25,292
	To, ICA Infotech Pvt Ltd A/c		25,292

Path : Gate way of Tally → Accounting Vouchers → Receipt (F6)

Service Tax Details for : ICA Infotech Pvt Ltd					
Type of Ref	Name	Type of Service	Category	Amount (Incl. of Tax)	Service Amount
Agst Ref	Sale/1-1	Taxable	Courier Agency	1,103.00	1,000.00
	Service Tax	@ 10 % (On Assessable Value	1,000.00)	100.00	
	Ed Cess	@ 2 % (On Tax Value	100.00)	2.00	
	Sec Ed Cess	@ 1 % (On Tax Value	100.00)	1.00	
				103.00	

Accounting Voucher Creation			Kolkata Traders		Ctrl + M
Receipt No. 2			31-Aug-2010		Tuesday
Particulars			Debit	Credit	
To ICA Infotech Pvt Ltd				1,103.00	
Cur Bal: 0.00 Cr					
Agst Ref 101			1,103.00 Cr		
By Bank A/c			1,103.00		
Cur Bal: 10,897.00 Cr					
Narration:			1,103.00	1,103.00	
Ch. No. : 110052 received from ICA Infotech Pvt Ltd					

Report 3

Path: Gateway of Tally → Display → Statutory reports → Service Tax Payable → Bill date wise

Service Tax Payable (Bill Date - wise)		Sky Dart Courier Services		Ctrl + M				
				1-Aug-2010 to 31-Aug-2010				
Date	Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Realised Amount	Total Tax Payable	Balance to be Paid
1-Aug-2010	126901	ICA Infotech Pvt Ltd	Courier Agency	708.00	66.00	708.00	66.00	66.00
1-Aug-2010	Sale/126902	ICA Infotech Pvt Ltd	Courier Agency	828.00	78.00	828.00	78.00	78.00
1-Aug-2010	Sale/126903	ICA Infotech Pvt Ltd	Courier Agency	1,323.00	123.00	1,323.00	123.00	123.00
1-Aug-2010	Sale/126904	ICA Infotech Pvt Ltd	Courier Agency	1,588.00	148.00	1,588.00	148.00	148.00
2-Aug-2010	Sale/126905	ICA Infotech Pvt Ltd	Courier Agency	19,861.00	1,761.00	19,861.00	1,761.00	1,761.00
2-Aug-2010	Sale/126906	ICA Infotech Pvt Ltd	Courier Agency	1,986.00	186.00	1,986.00	186.00	186.00
Total				25,292.00	2,362.00	25,292.00	2,362.00	2,362.00

Entries for Service Tax Payment

Now, a service provider also pays service tax while receiving service from other service provider like, telephone service. This is his input service. In this case, he can take credit of the service tax paid on such input service i.e. keeps the amount of service tax paid on input service and pays the balance amount to the Government.

Suppose, on 31st August, 2010, Sky Dart received a telephone bill from Reliance Telecom Ltd. amounted to ₹ 9,000 plus service tax. On 1st September, 2010, it paid the entire amount by cheque (chq no. – 654321 dt 2.9.10). So, Sky Dart can adjust the amount of ₹ 927 (900 + 18 + 9) against the output tax.

Entry in the books of Sky Dart will be –

31.8.10	Telephone Charges A/c	Dr.	500	
	Service Tax on Telephone charges A/c	Dr.	50	
	Education Cess on Telephone Charges A/c	Dr.	1	
	Secondary & Higher E Cess on Telephone Charges A/c	Dr.	1	
	To, Reliance Telecom Ltd			552
1.9.10	Reliance Telecom Ltd	Dr	552	
	To, Bank A/c			552

Creation of Ledgers

Name	Under
Telephone Charges	Indirect Expenses
Reliance Telecom Ltd	Sundry Creditors
Service Tax on Telephone Charges	Duties & Taxes
Education Cess on Telephone Charges	Duties & Taxes
Secondary & Higher Education Cess on Telephone Charges	Duties & Taxes

Entry after receiving the Telephone Bill

Path: gateway of Tally → Accounting Voucher → Purchase Voucher (F9)

Accounting Voucher Creation		Kolkata Traders	Ctrl + M
Purchase	No. 3	31-Aug-2010	
Supplier Invoice No. :	Date :	Tuesday	
Party's A/c Name : Reliance Telecom Ltd			
Current Balance :			
Particulars	Rate per	Amount	
Telephone Charges		500.00	
Service Tax on Telephone Charges		50.00	
E Cess on Telephone Charges		1.00	
SH E Cess on Telephone Charges		1.00	
		552.00	
Narration:			
Being telephone bill due			



Entry for Payment of Telephone Bill

Path: Gateway of Tally → Accounting Voucher → Payment Voucher (F5)

Accounting Voucher Creation		Kolkata Traders	Ctrl + M
Payment	No. 4		1-Sep-2010 Wednesday
Particulars	Debit	Credit	
By Reliance Telecom Ltd	552.00		
Cur Bal: 0.00 Dr			
Agst Ref 1/10-11	552.00 Dr		
To Bank A/c		552.00	
Cur Bal: 11,449.00 Cr			
Narration:	552.00	552.00	
Ch. No: 654441 issued for payment of Telephone bill			

Report 4

Path: Gateway of Tally → Display → Statutory Reports → Input Credit Summary

Input Credit Summary							Kolkata Traders	Ctrl + M
Date	Ref. No.	Party's Name	Category	Bill Amount	Total Tax	Paid Amount	Total Input Credit	Balance Input Credit
31-Aug-2010	Pure/3-1	Reliance Telecom Ltd	Telephone Services	552.00	52.00	552.00	52.00	52.00
Total				552.00	52.00	552.00	52.00	52.00

Adjustment of Input Credit & Payment of Service Tax

Now the tax paid on input service or input credit is to be adjusted against the output tax. Here each type of tax is to be adjusted separately. Payment has to be made through GAR 7 challan where necessary details are to be entered.

The following entry is to be passed –

Service Tax on Courier Charges A/c	Dr	100	
Education Cess on Courier Charges A/c	Dr	2	
Secondary & Higher E Cess on Courier Charges A/c	Dr	1	
To, Service Tax on Telephone Charges A/c			50
To, Education Cess on Telephone Charges A/c			1
To, Secondary & Higher E Cess on Telephone Charges A/c			1
To, Bank A/c			51

Path: Gateway of Tally → Accounting Voucher → Payment (F5)

You have to pass a combined entry for adjustment and payment as tally will not adjust input credit in Journal mode.

Accounting Voucher Creation		Kolkata Traders		Ctrl + M	
Payment No. 5				2-Oct-2010 Saturday	
Particulars	Debit	Credit			
By Service Tax on Courier Charges Cur Bal: 0.00 Dr	100.00		Service Tax Payment Details From : 1-Jul-2010 To : 1-Oct-2010 (Note : This Payment Belongs to the Above Period) Cheque / DD No. : 655551 Name of Bank : SBI A/c Bank Account No. : 11107012345 Branch Name : N S Road Cheque Date : 2-Oct-2010 Challan No. : 1234 Challan Date : 2-Oct-2010 ePayment No. : (Note : All the Above Details Will Be Used in Challan, Forms & Returns)		
By E Cess on Courier Charges Cur Bal: 0.00 Dr	2.00				
By SHE Cess on Courier Charges Cur Bal: 0.00 Dr	1.00				
To Service Tax on Telephone Charges Cur Bal: 0.00 Cr		50.00			
To E Cess on Telephone Charges Cur Bal: 0.00 Cr		1.00			
To SHE Cess on Telephone Charges Cur Bal: 0.00 Cr		1.00			
To Bank A/c Cur Bal: 11,500.00 Cr		51.00			
Provide Details : Yes					
Narration:	103.00	103.00			
Ch. No. 655551 issued for payment of service tax					

After giving all the details press ALT+P for printing the voucher. You will get two options:

1. Print payment voucher;
2. Print G.A.R 7 Challan.

For printing of GAR 7 challan, press N and then select "Print GAR 7 Challan : Yes".

Voucher Printing		Paper Type : Letter	
Printer : (Ne00:)		(Printing Dimensions) Paper Size : (8.50" x 10.98") or (216 mm x 279 mm) Print Area : (8.50" x 10.98") or (216 mm x 279 mm)	
No. of Copies : 1			
Print Language : English			
Method : Neat Mode			
Page Range : All			
Report Titles			
Payment Voucher			
Print ?			
Yes or No			
Print G.A.R-7 Challan : Yes			



Generation of Service Tax Return

Path: Gateway of Tally → Display → Statutory report → Service tax report → ST3 report

Printer	: (Ne00:)	Paper Type	: Letter
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.50" x 10.98") or (216 mm x 279 mm)
Page Range	: All	Print Area	: (8.50" x 10.98") or (216 mm x 279 mm)
Report Titles			
Form ST - 3			
ST-3 Period			
Period For	: [April - September]	Date of generation of return	Print ?
Place	: Kolkata		
Date	: 2-10-2010		Yes or No

Day - 53

Class exercise

1. On 1st November, 2010, A. C. Saha & Co. of 3, Jadunath Dey Road, Kolkata – 700012 (STC – ADCFA2356LST001 dt 1.4.2007) raised a bill for ₹ 70,000 plus service tax on Ghosal & Co. (STC – ABCCG8765UST001). Payment was received on 2nd November, 2010. On 2nd November, 2010, the company paid ₹ 1,000 plus service tax as telephone charges to BSNL. Payment of service tax was made on 2nd December, 2010.

Make necessary entries in Tally, Generate GAR 7 challan and the half-yearly return.



Day - 54

LEARNING OBJECTIVES

- Central Sales tax

Central Sales Tax

Salient Feature of Central Sales Tax Law:

- It extends to the whole of India;
- It states that every dealer who makes an Inter State Sale must be a registered dealer;
- Such registered dealer, who makes an Inter-state sale, is liable to pay Central Sales tax on the sales made by him in the course of Inter- state trade or commerce.
- When a sale or purchase of goods will be in the course of import into and export out of the territory of India, such import and export of goods is not subject to vat;
- Normally Central Sales-tax is charged at a single point even if there is a subsequent sale by transfer of documents during the course of movement of goods from one state to another, but in some cases there can be multiple point tax on account of subsequent sale;
- Goods for the purpose of Central Sales-tax have been divided into two categories:
 - Declared goods** or goods of special importance in Interstate trade or Commerce: Central Sales-tax on such goods is charged at nil rates or at a lower rate, which cannot be more than 2%, if such goods are sold to registered dealer. If such declared goods are sold to an unregistered dealer, Central sales-tax will be charged at local vat rate applicable to such goods.
- Other goods:** These goods are subject to central sales-tax at the rate applicable to such goods inside the appropriate state, whichever is higher. However, if such goods are sold to a registered dealer, the rate of Central Sales-tax will be 2% instead of normal rate.
- Central Sales-tax is leviable for any amount of turnover made in the course of Inter State sale. There is no exemption limit of turnover, as is normally available in the case of vat.

Transactions not regarded as sale

Mortgage, Pledge etc.: As per the definition, "sale" does not include a mortgage or hypothecation of or a charge or pledge on goods:

- Mortgage.
- Pledge.
- Hypothecation.
- Charge.
 - Lease Transactions
 - Goods given purely on bailment
 - Branch Transfer
 - Works Contracts

Essential Features of Inter-State Sale –

The following are the essential features of an inter-state sale:-

- 1) Transaction should be a complete sale.
- 2) There should be an agreement with a stipulation (may be express or implied) regarding movement of goods from one state to another.
- 3) Sale must take place in a state, which is different from the state from which movement of goods commences.
- 4) The movement should be result of a contract.
- 5) There should be physical movement of goods from one state to another. Mode of transport is not relevant.
- 6) It is not relevant in which state the property (i.e., the ownership), of goods passes from seller to the buyer.
- 7) Where the movement of goods commence and terminates in the same state, it shall not be deemed to be a movement of goods from one state to another by reason merely of the fact that in the course of such movement the goods pass through the territory of any other state.

Sale by transfer of documents

A sale or purchase of goods shall be deemed to take place in the course of inter-state Trade or Commerce, if the sale or purchase is effected by a transfer of documents of title to the goods during their movement from one state to another.

WHAT IS DOCUMENT OF TITLE - A "Document of Title" to goods, bears internal evidence of ownership of goods by holder of document. It includes Lorry Receipt (LR) (in case of transport by road), Railway Receipt (RR) (in case of transport by rail), Bills of Lading (BL) (in case of transport by sea), Airway Bill (AWB) (in case of transport by air) and documents of similar nature.

A sale or purchase of goods shall take place inside a state in the following situations:

- a. In case of specific or ascertained goods, if goods are within the state at the time the contract of sale is made.
- b. In case of unascertained or future goods, if goods are within the state, at the time of their appropriation to the contract of sale by the seller or by the buyer, whether assent of the other party is prior or subsequent to such appropriation.

Penultimate Sale For Export of Goods

The last sale or purchase of any goods preceding the sale or purchase occasioning the export of those goods out of the territory of India shall also be deemed to be in the course of such export. If the following three conditions are satisfied -

- i) There must have been pre-existing agreement or order to sell specific goods to a foreign buyer;
- ii) The last purchase must have taken place after the agreement with the foreign buyer was entered into;
- iii) The last purchase must have been made for the purpose of complying with the pre-existing agreement or order.

Example:

A sale of goods made to an export canalizing agency such as the State Trading Corporation or to an export house to enable such agency or export house to export those goods in compliance with an existing contract or order is inextricably connected with the export of the goods.

When a transaction is exempt from central sales tax

Exemption provided under the CST Act may be broadly divided into four categories:

- a. Subsequent sale by transfer of documents after original sale;
- b. Sale of goods which are generally exempt or chargeable under the local sales tax provisions at lower rate;

- c. Exemption by virtue of a notification;
- d. Sale in a course of import/export.

Subsequent sale by transfer of documents

The CST act provides a single point sale tax levy at the point of first sale. Subsequent sales are exempt to avoid multiple tax incidences. To avail exemptions, one has to satisfy the following conditions:

- a. The first sale should be inter - "State sale";
- b. The subsequent sale is effected by transfer of documents;
- c. The subsequent sale is effected during the movement of goods from one state to another;
- d. The subsequent sale is made to-
 - I) The Government; or
 - II) A registered dealer other than the Government.
- e. Declaration in the prescribed forms is submitted to the prescribed authority within the prescribed time.

Quantum of Central Sales Tax payable

The table given below highlights the incidence of central sales tax in the case of inter-State sale in different situations:

Buyer	Rate of Tax
1. Sale of declared or undeclared goods to a registered dealer -	
If local sales tax rate is less than 2% or	Local Vat rate or 2% whichever is lower.
If local sales tax rate is 2% or more than 2%	2%
2. Sale to unregistered dealer -	Local Vat rate

Inclusions in sale price – The following items are includible:

CENTRAL SALES TAX

Whether or not shown separately in invoice.

EXCISE DUTY

The excise duty payable is includible in 'sale price'.

PACKING MATERIAL AND PACKING CHARGES

Sales tax is leviable on packing material as well as packing charges (i.e. labour charges for packing goods). Sales tax is leviable on packing charges, even if shown separately.

COST OF FREIGHT

Generally, CST is payable only on ex-works price and no CST is payable on freight and transport charges. However, CST is payable on freight charges if (a) Freight charges are not shown separately in invoice or (b) Contract is FOR destination.

FREIGHT AND DELIVERY CHARGES INCIDENTAL TO SALE ONLY ARE DEDUCTIBLE

Freight and delivery charges allowable as deduction are only those, which are incidental to sale. Thus, in case of sale of goods from depot, transport charges from factory to the depot cannot be allowed as deduction.

DESIGN CHARGES IN RESPECT OF GOODS INCLUDIBLE

Design fee charged separately in respect of the goods manufactured as per design and sold to buyer is includible for purpose of sales tax, as it is a pre-sale expense and forms part of manufacturing cost.

TAX PAID BY BUYER WHEN LIABILITY IS FOR SELLER

Tax and duty paid by buyer is includible in 'Sale Price' if liability to pay the tax/duty/cess is on the seller. However, if liability to pay such tax/duty/cess is on the buyer, the same cannot be considered for purpose of 'sale price'.

Exclusions from sale price – Following charges are not to be included for calculation of CST liability.

FREIGHT AND TRANSPORT CHARGES FOR DELIVERY OF GOODS

Generally, CST is payable only on ex-works price and no CST is payable on freight and transport charges. However, CST is payable on freight if (a) Freight charges are not shown separately in invoice or (b) contract is for F.O.R destination.

CASH DISCOUNT

The cash discount for making timely payment is not includible.

DEPOSITS FOR RETURNABLE CONTAINERS

Deposits taken for returnable bottles or tin containers are not sale. Even if the customer does not return the container for long time and security deposit is transferred to profit and loss account that will not convert the deposits as price of sale proceeds. There is no intention to sell the container. If the container is not returned, the deposit is retained as liquidated damages for loss of bottle.

TRADE DISCOUNT

Trade discount is deduction from list price to whole sellers/dealers cannot be considered for calculation of CST. Such discount may be given periodically at the end of period – e.g. end of the month or end of the quarter – there is no rule that discount must be given at the time of sale only.

GOODS RETURNED BY BUYER

If the goods are returned by buyer within six months, its sale price will be deducted from 'aggregate sale price', if satisfactory evidence is produced before sales tax authority in respect of the same. Supreme Court has held that the claim of deduction in respect of such returned goods is allowable in the assessment year relating to financial year in which sale of goods had taken place e.g. if goods are sold in March 2008, (i.e. financial year 2007-08) and these were returned in July 2008, deduction in respect of goods returned will be allowed during assessment of the year 2007-08 and not 2008-09, even if goods were returned in 2008-09. The reason is goods as returned formed part of turnover of 2007-08 and not of 2008-09. If assessment is completed, claiming in time can demand adjustment or refund.

GOODS REJECTED BY BUYER

The period of six months is not applicable in respect of rejected goods, as in respect of rejected goods, there is no 'completed sale' at all within the meaning of CST Act or sale of Goods stand on different footings. Return of goods is a bilateral transaction brought about by consent of seller and purchaser, while rejection of goods is a unilateral transaction, open only to purchase. Hence, liability of sales tax does not arise even if goods come back after six months.



Day - 55

LEARNING OBJECTIVES

➤ CST Documentation

CST Documentation

VARIOUS TYPES OF FORMS:

What are different declaration forms?

The Act prescribes certain declaration to be made by the dealers in prescribed forms to buyers and sellers. Form C, F, H, E-I and E-II are in triplicate and are printed and supplied by sales tax authorities. Declaration by the dealers has to be given only on forms supplied by sales tax authorities.

Form C

Sales tax rate in inter-State sale is 2% if sale is to (a) registered dealer and (b) the goods are covered in the registration certificate of such dealer. Tax incidence is otherwise higher. If the selling dealer pays Central Sales Tax @ 2%, he has to produce proof to his sales tax assessing authority that the purchasing dealer is eligible to get these goods at concessional rate is applicable only if purchasing dealer submits a declaration in prescribed Form C to the selling dealer. Form C is allowed only if goods are purchased for re-sale or for manufacture of goods.

Forms E-I and E-II

While the first inter-State sale is taxable, subsequent inter state sales are not taxable if certain conditions are satisfied. Moreover, the seller shall give a declaration to the purchaser in Form E-I (if it is first sale) or Form E-II (if it is second or subsequent sale). The table given below highlights the requirement of submission of Forms E-I and E-II:

Inter-State sale	Selling dealer	Purchasing registered dealer	Forms E-I/ E-II	Forms C	Is it chargeable under the CST Act
First sale	X of Delhi	Y of Jaipur	X will submit Form E-I to Y	X should obtain Form C from Y	Yes
Second sale(Which takes place during movement of goods from Delhi and Jaipur)	Y of Jaipur	Z of Baroda	Y will give Form E-II to Z	Y should obtain Form C from Z	No
Third sale(Which takes place during goods movement from Jaipur to Baroda)	Z of Baroda	A of Bombay	Z will give form E-II to A	Z should obtain Form C from A	No
Fourth sale (Which takes place after obtaining delivery of goods at Bombay)	A of Bombay	B of Goa	A will give Form E-1 to B	A should obtain Form C from B	Yes

Form F

When goods move from one state to dealer's branch office in another state, it only amounts to a branch or stock transfer and not inter-state sale. As a consequence, no central sales tax is payable. To avoid misuse of this concession the act provides that where there is movement of goods which does not amount to sale, the dealer sending goods will have to prove the same by producing a declaration in Form F received from his branch officer or consignment agent in the other state. Besides Form F, some other evidence may be produced to the authorities.

Form H

Sale during course of export is exempt from Central sales tax. Penultimate sale is also deemed to be in course of export and is exempt from tax. Dealer who exports goods has proof of export (like customs documents, bill of lading, shipping bill, etc.). The penultimate seller, however, does not have any direct evidence to prove that his sale is exempt from tax. Therefore, the exporter shall issue a certificate to the penultimate seller in Form H. H forms are to be obtained from sales tax authority by the exporter.

Day - 56**Class Exercise****Form A**

Apply for CST registration to Sales Tax Officer, Beliaghata Division – Kolkata, in form A with the help of the following details –

Mr. Amar Kanti Biswas, 37 yrs old, & the son of Mr. Bhola Nath Biswas, is the owner of M/S Amar Traders, a sole proprietorship business, in West Bengal, dealing in aluminum goods for retail distribution. This business was started on 01.04.2007 and the 1st inter state sale was made on 12.04.2007. His account is maintained on yearly basis.

Address of the business – 18, N. S. Road, Kolkata – 700006.

Mr. Suraj Kumar is the manager of the business.

The goods are stored in their only warehouse situated at 18, N S Road, Kolkata – 700006. The main activity of the business is to buy aluminum cooking wares and sell later on.

Form C

Rawat & Co of 40B P.C. Boral Street, Kolkata – 700012, sold goods to M/S Amar Traders under purchase order no – PO/002/07-08, dated 04.05.2007 and accompanied a challan no CH/001/07-08, dated 09.05.2007. The bill no. of this sale was – TNV/043/07-08, dated 10.05.2007.

Mr Amar Kanti Biswas issued Form C to Rawat & Co on 12.06.2007 and the form was issued by Maharastra Govt. on 01.06.2007.

Other details –

Registration no of the seller – 19578049241.

Fill up Form C with the help of the above mentioned details.

Form EI

Issue form EI to be issued by Rawat & Co. to M/S Amar Traders from the above mentioned details.

Form EII

Continued from form EI – M/S Amar Traders now sells the goods by transferring the document of title to Das & Co of 1, Ashwamedha Trade Centre, Dajibanpeth, Hubli-580029, Karnataka, and in the course of movement of goods issued form EII to Das & Co. The other details are as follows –

No and date of declaration form – 054/07-08 – 25.05.2007.

No and date of railway receipt – RR/009 – 23/05/2007

Date of issue of form EI – 28.05.2007

You are required to fill up form EII.

Form F

M/S Amar Traders transferred 50,000 kgs of steel rods of ₹ 5,00,000 to its branch at B-11, Shashtri Nagar, Jodhpur-342003, Rajasthan challan no 500/1250/07-08 dated 10.04.2007. M/S Amar Traders sent these goods from Howrah Railway station. The transferee took the delivery on 14.04.2007

No and date of railway receipt – 500/078/07- 08. Fill up Form F.

Form H

M/S Amar Traders sold 10 tons of M.S. Billet of ₹ 5, 00,000 to Sinha & Co of 46-C, Madhuban, Near ICICI Bank, Shriram hospital, Udaipur-313001, Rajasthan as per purchase order no SI/1300/07-08, dated 12.04.2007 and issued a bill SI/1225/07-08 dated 15.05.2007. Now Sinha & Co exported these goods to Ricky Ponting & Co of Australia. Fill up Form H on behalf of Sinha & Co.



Day - 57 & 58

Project on tally

Create a company with Tulip Pvt. Ltd.

1. Create the ledger as per following Balance sheet :

Name of the Ledgers	Debit (₹)	Credit (₹)
Capital		800000
Drawings	60000	
Loan		30000
Sundry Creditors		15000
Outstanding Factory Wages		10000
Outstanding Rent & Rates		5000
Plant & Machinery	200000	
Furniture	65000	
Land & Building	200000	
Stock in hand	70000	
Sundry Debtors	20000	
Prepaid Insurance	5000	
UTI Bank	96000	
Bank of America	120000	
Cash in Hand	24000	
Total	860000	860000

2. The Following are the Opening Bill details of Customer and Vendors :

Customer's Name	Bill Number	Amount (₹)
Prem Narayan	PN/01 - 5000	
	PN/02 - 9000	14000
Lakshmi Vilas Ltd.	LV/101	6000
Vendor's	Bill Number	Amount (₹)
Ruby Works Ltd.	RW/200	5000
Dusad Industries	DI/201 - 2000	
	DI/202 - 8000	10000

3. Enter the following details in the Customer of : Prem Narayan

Address : 1, Chowringhee Square
 Contact Person : Dilip Baidya
 Credit days allowed is one month and limit is ₹ 30000
 CST no. : CASB-2567
 Ph. No. : (011) 2266 - 8798
 Fax : (011) 2266 - 5722
 Email : asb@vsnl.com

4. Product details:

Group : STOCK	Sub Group	Item	Unit (Pcs)	Amount (₹)
	Electronic	Digital Diary	40	20000
		Mobile	5	20000
		CD	100	30000

5. Create the Following Branch And Departments :

Branch : Assam Departments : Accounts, Sales

6. Pass the following entries :

- a. Open a Current Account into SBI by depositing 50% from cash dated on 01-12
- b. No rent has been paid for Showroom during the year because a dispute is there with the landlord. The rental agreement provided for a rent of ₹ 1800 per month dated on 31-05
- c. ₹ 1700 paid in cash for Electronic Calculator was wrongly charged to office expenses. Dated 10-12.
- d. As per UTI Bank Statement it is revealed that Bank paid Electricity bill of ₹ 5000 of the company, and service charge ₹ 200. Dated on 30-05
- e. To purchase printing stationery of the office transferred ₹ 1000 to Petty cash of Accounts Department dated on 10-12. (Assam Branch)
- f. A Furniture costing ₹ 4000 sold to Mr. Amber at ₹ 5000 dated on 31-12
- g. Lakshmi Vilas Ltd: has been declared insolvent.
- h. Sold the following items to Prem Narayan with the help of a selling agent Mr. Pratap, who will get a commission @5% on the sale amount, On 10-01, 20 Pcs of CD @ ₹ 320 each, with ₹ 100 as packing, 4% vat and ₹ 200 as Freight (Bill: SPN-101).
- i. Purchased 50 Pcs of CD @ ₹ 300 and 2 Pcs of Digital Diary @ ₹ 500 with 4% vat and Carriage ₹ 50 from Ruby Works Ltd., dated on 12-12. (Bill: PRW-88) and stored in Sales department of Assam branch.
- j. The Proprietor of the company has taken 1 Pcs of Digital Diary for his daughter from stock, dated on 30-05.



1. The following is the Trial Balance of a Company as at 31-03-09. Prepare the accounts for the year ended 31-03-2010 and pass the following entries given below :

Description	Opening Balance	
	Debit	Credit
Capital		150000
General Reserve		22500
Profit & Loss A/c		25000
Sundry Creditors		
Morrison Co. [PUR/151]		22500
Quality Furniture [PUR/1012]		50000
Building		
Furniture	44000	
Sundry Debtors	20000	
Delta Ropeways Co. [SAL/011]	35000	
Modern Furniture [SAL/051]	40000	
Stock-in-hand		
Mouse [50 pcs of ₹ 200]	10000	
Cash in hand		
Bank of India	15000	
Advance to Amit Mitra	55000	
Total	270000	270000

2. Pass the following entries :

- Machinery purchased for office use ₹ 15000 from Hindustan Co. on 2nd May' 09 and charged VAT 12.5 %.
- Transferred from Main cash ₹ 1000 to meet the daily expense on 2nd May' 09.
- Paid 50% against their full dues of Morrison Co. through a cheque # 123456 of Bank of India dated as on 1st July' 09
- Provide Depreciation on Machinery @ 15% p.a. till 31-03-2010.
- Purchased 5 Pcs CD-ROM @ ₹ 2500, 2 Pcs Mouse @ ₹ 250 with 4% vat From Start Computer on 2nd July'09 (Bill no. 01/22) and store at Howrah godown.
- Advertisement expenses paid ₹1200 is to be divided equally among 3 renowned newspapers (the Telegraph, The Statesman, Times of India) by cash.
- Sold from Howrah godown, 2 Pcs CD-ROM @ ₹ 3000, 1 Pcs Mouse @ ₹ 275 to Delta Ropeways Co. on 2nd July, 09 (Bill no. Sal/05) and the destination is Patna.
- Received 70% bill amount from Delta Ropeways Co. against their old outstanding & 30% against the bill no. Sal/05 on 2nd July' 09
- Take a back up of your company.

DAY - 59**Project on Tally****VAT**

Mr. A, a regular dealer in West Bengal, purchased 1,000 pcs keyboards @ ₹ 500 plus vat @4% from Mr. B on 1st April, 2010. On 2nd April 2010, he transferred 100 pcs keyboards to his Patna branch. On 1st May, 2010, he sold 500 pcs keyboards @ 800 to Mr. P of West Bengal and 100 pcs keyboards @ 700 plus cst @2% to Mr. X of Maharashtra. On June 1, 2010, Mr. A purchased a machine from M/S JK Enterprise for a total cost of ₹1,56, 00,000 which includes input vat of ₹ 6,00,000.

Pass necessary entries in tally and generate return.

TDS

Open a company in Tally with your name and address and enter the following details –

TAN	: MUMC15432P
Income Tax Circle / Ward	: 41(4)
Deductor Type	: Others
Name of the person responsible	: Saroj Gupta
Son/daughter of	: Dhiraj Gupta
Designation	: Accounts Manager
PAN	: AAACC1234L

- 1) Audit fees of ₹ 22,500 paid to B. L. Rathi & Co. (Individual/HUF - Resident) on 2nd July, 2010. Deduct TDS and paid the balance amount through cheque (ch no. – 654441) of SBI dated 1st July, 2010. [Ref – Aud/01]. The amount of TDS was deposited into SBI on 1st August, 2010 by cheque.
- 2) Paid office rent of ₹ 2,00,000 to Suraj Singh for the month of July'10 on 1st August, 2010 after deducting TDS. TDS was deposited to the credit of the Government on 2nd Sept'10 by cheque.

Generate Challan & Quarterly Returns in all the above mentioned cases.

Service Tax

Open a company in Tally with your name and address and enter the following details –

- a. Company provides vocational training on Hardware & Networking.
- b. Samir Malhotra takes admission on 1.1.2011 with ₹ 20,000 plus service tax by cheque (ch no – 765432) [Ref : MR/S/100].
- c. Company received telephone bill from BSNL of ₹ 1,500 plus service tax for the month of December, 2010 on 2.1.2011.
- d. Company paid the above telephone bill through cheque of Axis Bank on 31.1.2011.
- e. Adjust input service tax against output service tax and pay the balance amount to the Government by cheque on 2nd Feb, 2011.



Day - 60

Revision on Tally