

Accounting:

"Accounting is an art of classification, summarization and analysis of all the transactions being done by a business house in a financial year"

Or

"Keeping a track record of all the transactions done by a business organization in a financial year; date wise, serially and in proper format is called as Accounting".

Accounting is the language of business because it is through accounting that various monetary matters related with business are communicated. Hence, accounting is now considered as an information system which aids business and its users in taking economic decisions.

Meaning of Double Entry System:

Every business transaction has two major aspects i.e., Debit and Credit. A system of accounting in which both the aspects of each transaction are recorded as per prescribed rules is called double entry system.

Double Entry System is a "A system of accounting in which out of the two aspects of a transaction, one aspect is "Debited" and the other aspect is "Credited" according to certain prescribed rules."

Concept of Debit and Credit:

In any business transaction, at least two parties (accounts) are required. In general terms if one party is considered as giver then surely the other party is considered to be as receiver or acceptor. For acceptor, the sum or value by which the transaction took place; is a liability whereas the same value is an asset for the giver.

Therefore, the giver is now known as Credit account and the receiver as Debit account.

Meaning of Debit:

The word Debit has been derived from the Latin word '*debitum*', which means 'due for that'. In fact, debit is a symbol of accounting, which is used to make the rules of accounting clear and operative.

Meaning of credit:

The word credit has been derived from Latin word '*creder*', which means 'due to that'. It is also used as a symbol in accounting which is used to make the rules of accounting clear and operative.

Let us make it clear with an example;

1- Raj & Company pays Rs. 2000.00 cash to Priya.

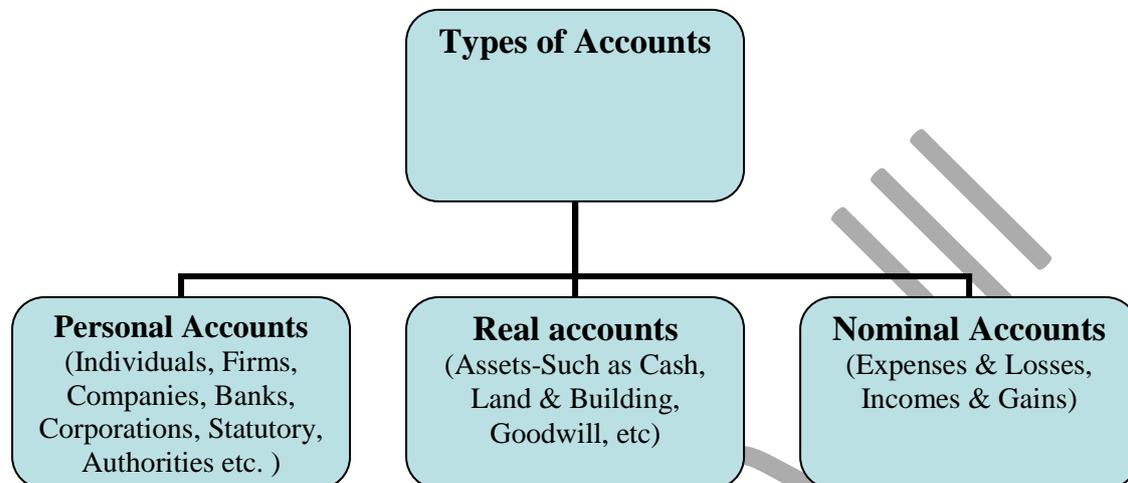
In this example Raj & Company is '*Giver*' and hence it is considered to be as "**Credit Account**", whereas Priya is considered as "**Debit account**"

2- Priya returns Rs. 2000.00 to Raj & Company.

In this example Priya is '*Giver*' and hence it is considered as "**Credit Account**", whereas Raj & Company is considered as "**Debit account**".

Accounts:

Transaction of a similar nature when recorded at one place is known as accounts. In other words, a summary of relevant business transactions and events recorded at one place relating to a particular head is called an Account and the entire group of accounts is called a ledger.

**Personal Accounts:**

The accounts which are related with real persons, artificial persons and representative persons are called personal accounts.

Real Account:

Real accounts are of two types i.e. Tangible Real accounts and Intangible Real accounts. Building, Furniture, Cash, Machinery etc. are examples of tangible real accounts because these can be seen, touched and felt and they have a physical existence. There are some intangible real accounts; which cannot be touched because they have no physical shape such as Trademark, Goodwill and Patent etc.

Nominal Accounts:

Every businessman has to incur some expenses and he makes some income also. Some name is given to the head under which these expenses and incomes are recorded.

Rules of Accounting:

- 1- Debit what comes in and Credit what goes out.
- 2- Debit the Receiver and Credit the Giver.
- 3- All Expenses & Losses are Debited and all Incomes & Gains are Credited.

Classification of Accounts based on Accounting Equation:

- Accounts Related with capital
- Accounts Related with Assets
- Accounts Related with Liabilities
- Accounts Related with Revenues
- Accounts Related with Expenses

Accounts Related with Expenses are further classified into two categories:

Direct Expenses:

Those expenses which are incurred in manufacturing of goods or in bringing the goods at a salable place (shop) are called as Direct Expenses as these expenses directly affect the value of purchase and have a tendency to increase the stock value.

Indirect Expenses:

Those expense which are incurred at the time of sales or to promote the sale or for the proper functioning of the business and which do not affect the value of purchase (stock) are known as Indirect Expenses. Indirect Expenses decrease the Net profit of the business.

Ledger:

Ledger is a special books having special format into which accounts are traditionally kept. This is the main book of account and contains all accounts needed for preparing financial statements. Therefore, it is also called as 'Book of Principal Entry'. Transaction is first recorded in journals and then the record of journal is transferred in another book which is called Ledger'. This method of writing from journal to ledger is called 'posting'.

SJN Pvt. Ltd.

Ledger A/c of: M/S Raj & Company

Date	Particular	L.F	Debit	Credit	Balance	Cr/Dr
1-09-10	Sales Bill No. 123	14	2000.00		2000.00	Dr
3-09-10	Sales Bill No. 128	14	3000.00		5000.00	Dr
4-09-10	Receipt Cash	10		2500.00	2500.00	Dr
5-09-10	Receipt Chq. 1234	18		8500.00	6000.00	Cr

Journal:

It is a type of book into which we record the transactions in a form where one or more account(s) is Debited and against this one or more account(s) is Credit. After recording the transaction, the entries are transferred to corresponding ledgers to obtain the balances.

IN THE BOOKS OF SJN Pvt. LTd.

Journal

Date	Particular	L.F	Dr. Amount (Rs.)	Cr. Amount (Rs.)
01-01-2010	Furniture A/c Dr.		4000.00	
	Machinery A/c Dr.		20000.00	
	Debtors A/c Dr.		5000.00	
	To Capital A/c			20000.00
	To B/P A/c			2000.00
	To Creditors A/c			7000.00

Day Book:

It is a book in which we record the transaction done by a business house in a day. It gives us a list of all transactions for a particular day. This can be termed as the first book for book keeping.

Final Reports:

Though the objectives of accounting can be many but the most important is to obtain some reports which are required not only by the owner/partners of the company rather the business organization are supposed to submit these reports to some government departments. These reports are called as Final Reports. Some of the final reports are as following:

- Balance Sheet
- Trading and Profit & Loss Account
- Sales Register
- Purchase Register
- Outstanding Payable
- Outstanding Receivable
- Cash Book
- Bank Book
- Bank Reconciliation Statement
- Stock summary
- Etc.

Balance Sheet:

Balance Sheet is a statement which represents financial position of a business at a prescribed date. This prescribed date is the date at which final accounts are prepared. Some persons are of the view that Balance Sheet is a statement of assets and liabilities of a business at a particular date. It is a sheet of balance, which means that at the end of the year all the accounts of the ledger are closed and the balances of nominal accounts are transferred to Trading Account or Profit & Loss Account but there are personal and real accounts whose balances are carried forward; these balances are recorded in a statement which are called Balance Sheet.

Trading Account:

This account is prepared to find out gross profit or gross loss on the basis of purchases and sales. From the sales of a specific period (mostly one year), the cost of sales (of the same period) is deducted and the balances is treated as gross profit.

Profit & Loss Account:

Profit & Loss account is prepared to find out net profit or net loss. All those expenses and losses, incomes and gains not recorded in Trading Account are recorded in Profit & Loss Account. These expenses are termed as indirect expenses, because these expenses are directly not related with the acquisition (bringing the goods in shop) and to bring them to saleable form. If the total of its credit side is more than debit side, excess is called Net Profit and if total of its debit side is more than its credit side, excess is called Net Loss.

Ratio Analysis:

The Ratio Analysis Statement is a Single Sheet Performance Report for a selected period. It gives important values and key performance indicators for the company. It is one report that top management need to look at to know the state of the company's financial health and where it is going in the short term. All the future planning to run the business is taken into consideration by analyzing this report.

Some key analysis is given to facilitate you. However this analysis is not the only factor for proper planning. There are some other factors too; which are taken into consideration while planning a business such as market position, current financial status of the company, government policy, availability of raw materials, cost and availability of labour etc.

S. No.	Ratio Analysis
1	Working Capital <i>(Current Assets - Current Liabilities)</i>
2	Current Ratio <i>(Current Assets : Current Liabilities)</i>
3	Quick Ratio <i>(Current Assets - Stock-in-hand : Current Liabilities)</i>
4	Debt/Equity Ratio <i>(Loans (Liability) : Capital Account + Nett Profit)</i>
5	Return on Investment % <i>(Nett Profit / Capital Account + Nett Profit)</i>
6	Return on Wkg. Capital % <i>(Nett Profit / Working Capital) %</i>
7	Wkg. Capital Turnover <i>(Sales Accounts / Working Capital)</i>
8	Inventory Turnover <i>(Sales Accounts / Closing Stock)</i>
9	Operating Cost % <i>(as percentage of Sales Accounts)</i>
10	Recv. Turnover in days <i>(payment performance of Debtors)</i>

Adjustments:

All such transactions which relates with the current financial year, but they are not included in Trial Balance because there was no record for them in the books of accounts, are treated as adjustments. Such transactions are also treated as adjustments which have been recorded and appear in Trial balance but do not belong to the current financial year.

Accounting for Adjustments:

In connection with adjustments, journal entries are made. Such entries are called adjusting entries for adjustments. On account of accounting record of adjustments the balances of certain account are affected and some new accounts are opened.

Amended Trial Balance:

Due to adjusting entries, changes in balances of various accounts are made and some new accounts are opened. Hence an amended Trial

balance is prepared and final accounts are prepared on the basis of such amended trial balance.

Some Important Adjustments:

1. Depreciation, 2. Bad and Doubtful Debts and Discounts & provisions relating to them, **3. Outstanding expenses, 4. Prepaid Expenses, 5. Earned Income, 6. Unearned Income and amount received in advance, 7. Interest on Capital, 8. Interest on Drawings, 9. Deferred revenue expenditure, 10. Loss of goods by fire, 11. Closing Stock, 12. Interest on Loans, 13. Charity and samples, 14. Withdrawal of goods for personal use, 15. Commission to manager on net profit, 16. Invoice not received for goods purchased, 17. Sale of goods on sale or returnable condition, 18. Goods in transit, 19. Salaries less tax, 20. Wages less tax, 21. Rent less tax, 22. Interest less tax, 23. Dishonors of bill received from debtors, 24. Outstanding Expenses, 25. Expense stock, 26. Accrued Income, 27. Profit on joint venture .**

Depreciation:

The goods and services provided to the customers are obtained through the utilization of Fixed Assets during the operation process for a number of continuous accounting periods. As fixed assets used to generate periodic revenue, hence an appropriate amount of cost related to the fixed assets should be changed as an expense against the revenue generated by the use of fixed asset. The portion of the cost of fixed assets changed to profit & Loss accounts during a particular accounting period is termed as depreciation.

The imaginary loss in the value of fixed assets at the end of the financial year is called as depreciation. Depreciation can be considered as Expenses Indirect.

Voucher Entry

Journal Voucher

Date: 31-3-2010

	Debit	Credit
By Depreciation A/c	5000.00	
To Furniture & Fixture A/c		5000.00
Being depreciation on fixed assets adjusted.		

Appreciation:

The goods and services provided to the customers are obtained through the utilization of Fixed Assets during the operation process for a number of continuous accounting periods. The value of some fixed assets may increase during the period which may result as gain. The portion of the cost of fixed assets changed to profit & Loss accounts during a particular accounting period is termed as appreciation.

The increase in the value of fixed assets at the end of the financial year is called as appreciation. Appreciation can be considered as Incomes Indirect.

Voucher Entry

Journal Voucher

Date: 31-3-2010

	Debit	Credit
By Land & Building A/c	50000.00	
To Appreciation A/c		50000.00
Being appreciation on fixed assets adjusted.		

Prepaid Expenses:

If expenses of next financial year are paid during current financial year as advance, then such expenses are known as Prepaid Expenses or expenses paid in advance. Prepaid is considered as Current assets.

Voucher Entry (payment in prepaid expenses)

Payment Voucher		Date: 24-3-2010
	Debit	Credit
By Prepaid Rent A/c	3000.00	
To Rent A/c		3000.00
Being prepaid rent paid.		

Voucher Entry (adjustment of prepaid expenses)

Journal Voucher		Date: 10-4-2011
	Debit	Credit
By Rent A/c	3000.00	
To Prepaid Rent A/c		3000.00
Being prepaid rent adjusted.		

Accrued Incomes:

If incomes during current financial year are to be received in next financial year, then such incomes are known as Accrued Incomes. Accrued Incomes are considered as Current Assets.

Voucher Entry

Journal Voucher		Date: 19-3-2010
	Debit	Credit
By Accrued Commission A/c	1000.00	
To Commission Receivable A/c		1000.00
Being commission accrued.		

Voucher Entry (receipt of accrued incomes)

Receipt Voucher		Date: 14-4-2011
	Debit	Credit
To Accrued Commission A/c		1000.00
By Cash A/c	1000.00	
Being accrued commission received.		

Outstanding Expenses:

If some expenses during current financial year are not paid in the current financial year and are to be paid in next financial year, then such expenses are known as Outstanding Expenses. Outstanding Expenses are considered as Current Liabilities.

Voucher Entry

Journal Voucher		Date: 31-3-2010
	Debit	Credit
By Wages Inward A/c	6000.00	
To Outstanding Wages A/c		6000.00
Being wages inward outstanding.		

Voucher Entry (payment in prepaid expenses)

Payment Voucher

Date: 24-4-2011

	Debit	Credit
By Outstanding Wages A/c	6000.00	
To Union Bank of India A/c		6000.00
Chq. No. 345252 dt. 23.4.09. Being outstanding wages paid.		

Unearned Expenses:

If a business receives advance income up to the end of the current year for which services will be rendered in the next financial year, then such incomes are called as Unearned Incomes or Income Received in Advance. Unearned Incomes are considered as Current Assets.

Voucher Entry (receipt of unearned incomes)

Receipt Voucher

Date: 28-3-2010

	Debit	Credit
To Unearned Incentive A/c		10000.00
By Cash A/c	10000.00	
Being unearned incentive received.		

Voucher Entry (adjustment of unearned income)

Journal Voucher

Date: 23-4-2011

	Debit	Credit
By Unearned incentive A/c	10000.00	
To Incentive Receivable A/c		10000.00
Being unearned incentive adjusted.		

Opening Balance & Closing Balance:

For a business, the balances of all the accounts (debit or credit) as on 31st March is called as Closing Balance. The same balance is carried forward in next financial year. This carried forward balance of each and every one account is now termed as Opening Balance on 1st April. To prepare accounts for next financial year all the opening balances should be entered very carefully otherwise there will be a difference in the opening balance and this will severely affect the accounting.

Calculation of Closing Stock:

Calculation of closing stock with the help of given data (considering goods were sold on inclusive 20% gross profit)

Opening Stock	100000.00
Purchase	500000.00
Direct Expenses	20000.00
Sales	480000.00

Solution:

$$\begin{aligned} \text{Calculation of Gross Profit} &= (\text{Sales} \times \% \text{ G.P}) / (100 + \% \text{ G.P}) \\ &= (480000.00 \times 20) / (100 + 20) \\ &= \text{Rs. } 80000.00 \end{aligned}$$

$$\begin{aligned} \text{Cost of Sales} &= \text{Sales} - \text{Gross Profit} \\ &= 480000.00 - 80000.00 \\ &= \text{Rs. } 400000.00 \end{aligned}$$

$$\begin{aligned}\text{Closing Stock} &= (\text{Opening Stock} + \text{Purchase} + \text{Dir. Exp.}) - \text{Cost of Sales} \\ &= (100000.00 + 500000.00 + 20000.00) - 400000.00 \\ &= \mathbf{Rs. 220000.00}\end{aligned}$$

SEMESTER - III

Tally 9.0

Tally is an accounting software which is fit for all type of business and organizational accounting. This software is based on double entry Indian accounting system.

So far we have many versions of Tally viz. Tally 4.0, Tally 4.5, Tally 5.4, Tally 6.3, Tally 7.2, Tally 8.1, Tally 9.0 and Tally.ERP. Apart from different versions of Tally we have Single User and Multi User (Network Support Tally) versions of Tally. We can install the most appropriate version of our choice.

Tally versions starting from tally 5.4 to Tally 9.0 provide us a facility to maintain accounts in mainly two ways i.e. Accounts Only and Accounts with Inventory. The older versions of Tally require DOS as platform whereas the newer versions (Tally 5.4 onwards) require Windows as platform.

Starting Tally:

Though we can start Tally by simply double clicking on its icon on Desktop, but for beginners to start Tally, follow the steps:

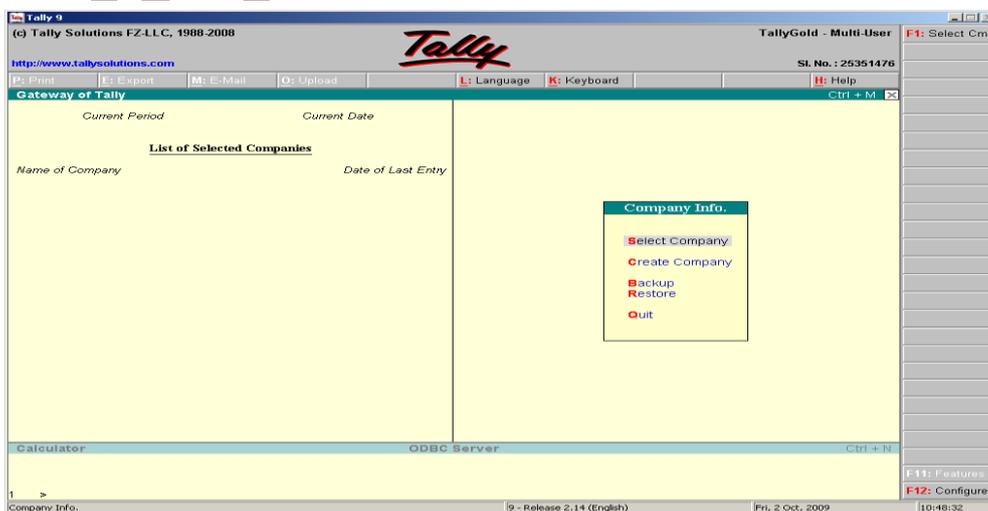
Start → All Program → Tally 9.0

Accounting in Tally is as simple as counting 123. The accounting job can be done in following steps.

1. Company creation
2. Ledger creation
3. Group creation if required
4. Unit of Measures creation
5. Stock Groups creation
6. Stock Items creation
7. Voucher entry of all the transactions

Rest all the jobs are done by Tally and Tally generates all types of reports such as Balance Sheet, Profit & Loss Account, Trading Account, Trial Balance, Stock Summery, Outstanding etc.

As we start Tally, the very first screen we get is called as "Company Info" screen. In this screen we get some options such as Select, Create, Backup, Restore and Quit.



Home Screen of Tally (Company Info)

The very first Screen which appears as we open Tally.

We can directly start accounting by selecting the companies from the list or we can create new company if we want to start accounting for a new company. To create a new company we have to select and activate "Create Company" option. Select create company option and press Enter and a screen as shown below will appear. In this screen first of all type the correct path of the data director (however the by default data directory is already present there as "C:\Tally\Data". After setting the directory, enter the different desired fields' viz. Name, Mailing Address etc. It is important that while entering data into fields take care about Statutory Compliance, Method of Accounting, Financial Year and Books Beginning From. After entering the fields check it thoroughly and if you find it correct in all respect; finally press enter to accept. Company will be created and it will be now shown in the list of the present companies.

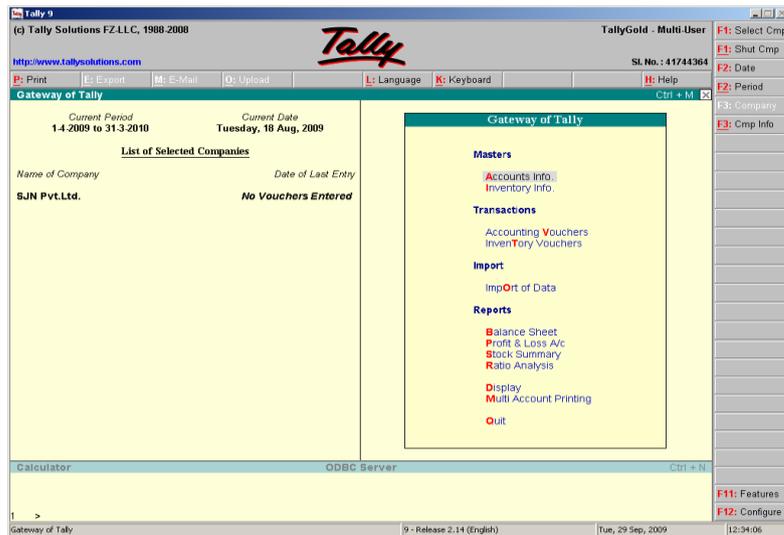
Company creation screen

To open a company for accounting, select your company and press Enter. Your company will be opened and is ready for accounting. In case, to alter any information related to company, we can "Alter" the company and enter the information and then finally accept. To alter the company at any instance, press Alt+F3. Select company screen appears as shown below.

Options in Company Info.

Select company screen with list of the companies.

The workable screen which appears is known as "Gateway of Tally" screen. In this screen we get different options for different tasks. The first After company creation and opening the same our task is to create Ledgers A/c for all the accounts which transacts with our company.



Gateway of tally screen

Ledger:

Ledger refers to account which makes transactions with a company. In-fact it's a format into which we keep a record of all the transaction done by a company with some other company, organization, firm, person or any income or expenses head of the same company date wise, serially and in proper format.

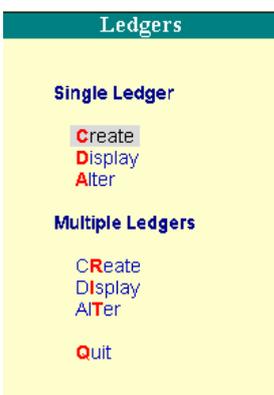
For Ledger creation follow the steps as give below.

Gateway of Tally →Accounts Info →Ledger →Create (You can select single or multiple creation options depending upon the case).

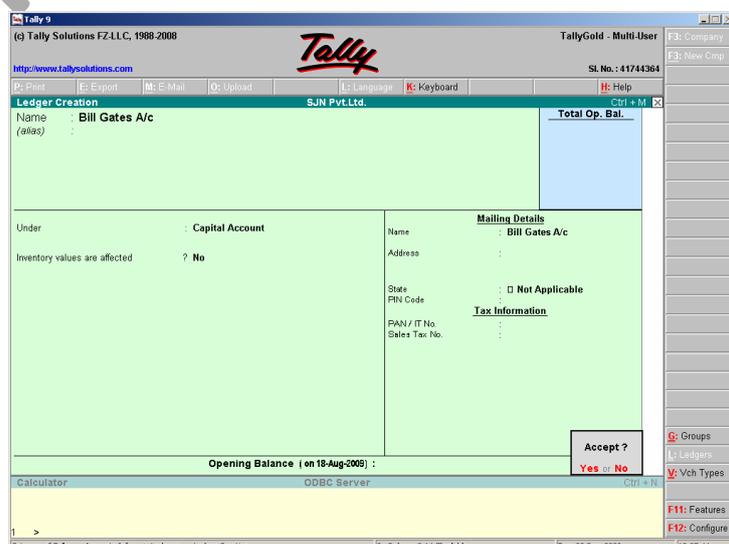
Note: If more than one ledger of same group is to be created, the multiple ledger creation should be used, though in multiple ledger creation we can not enter all the requisite information.



Gateway of Tally→Accounts Info.



Gateway of Tally→Accounts→Ledger



Gateway of Tally→Accounts→Ledger → Create (Ledger Creation)

While creating some different types of ledgers (viz. Purchase, Sales, and Taxation etc. according to VAT) we have to enable some features through "Company Features" by pressing F11. We get three features namely "Accounting Features", "Inventory Features" & "Statutory Features" through which we can enable desired utilities for accounting, inventory and statutory. e.g. VAT, Service Tax, Excise, Debit/ Credit Notes, Integrate Accounts with inventory, Separate discount columns, Multiple Godown, Actual & Billed quantities etc. are to be enabled to maintain the accounting accurately in all respect.



Gateway of Tally → (F11)
Company Features



Gateway of Tally → (F11) Company Features → Accounting Features (F1)



Gateway of Tally → (F11) Company Features → Inventory Features (F2)



Gateway of Tally → (F11) Company Features → Statutory & Taxation (F3)

While creating a Ledger A/c, we have to provide its name and then its group (A group is a classification of Ledger already available with Tally e.g. Sundry Creditors, Sundry Debtors, Expenses Indirect etc.). In some special case of Ledgers we have to provide some additional information which is given as under to facilitate you:

- | | |
|---------------------------|----------------------|
| Ledger Name: | Purchase @ 4% |
| Under: | Purchase Accounts |
| Inventory Value effected: | YES |
| Maintain Bill By Bill: | YES/NO |
| Used in Vat Return: | YES |
| VAT/TAX Class: | Purchase @ 4% |

Ledger Name: Sales @ 4%
 Under: Sales Accounts
 Inventory Value effected: YES
 Maintain Bill By Bill: YES/NO
 Used in Vat Return: YES
 VAT/TAX Class: Sales @ 4%

Ledger Name: Input VAT@ 4%
 Under: Duties & taxes
 Type of Duty/Tax: VAT
 VAT/TAX Class: Input VAT @ 4%

Ledger Name: Output VAT@ 4%
 Under: Duties & taxes
 Type of Duty/Tax: VAT
 VAT/TAX Class: Output VAT @ 4%

VAT (Value Added Tax)

Currently in our country almost all the states follow new system of taxation of sales called VAT or Value Added Tax. In this system, local sales tax is levied on each and every sale whereas previously it was levied on entry or exit point only. We have different percentage rate of VAT for different commodities. 1%, 4% & 12.5% are the rates which are generally applied.

The VAT paid at the time of purchase is called as INPUT VAT and the VAT collected at the time of sales is called as OUTPUT VAT.

Calculation showing VAT:

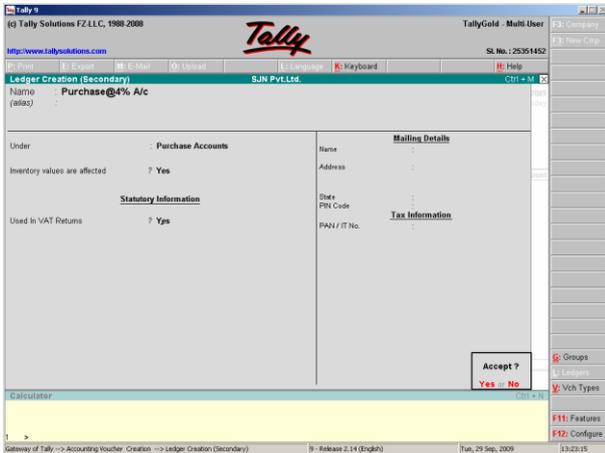
Party A		Party B		Party C	
Cost	90.00	Cost	104.00	Cost	124.80
Profit	10.00	Profit	16.00	Profit	15.20
Total	100.00	Total	120.00	Total	140.00
Vat @ 4%	4.00	Vat @ 4%	4.80	Vat @ 4%	5.60
Grand Total	104.00	Grand Total	124.80	Grand Total	145.60

Consider Party B:

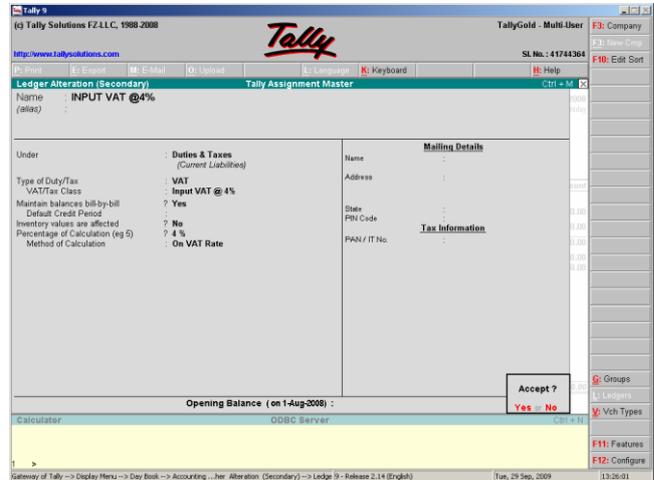
The goods was purchased from Party A, Purchase amount	104.00
Tax paid at the time of purchase (INPUT VAT @4%)	4.00
The goods was sold to Party B, sales amount	124.80
Tax collected at the time of sales (OUTPUT VAT @ 4%)	4.80

VAT Payable = Output VAT – Input VAT
 At the other hand
 VAT Receivable = Input VAT – Output VAT
 In this example the VAT payable is Rs. 0.80

Ledger creation screen is shown below.



Gateway of Tally → Accounts → Ledger → Create (Ledger Creation Purchase Account)



Gateway of Tally → Accounts → Ledger → Create (Ledger Creation Input Vat)

Note: As a new company is created, Tally creates two Ledgers Cash A/c and Profit & Loss A/c by itself.

Group:

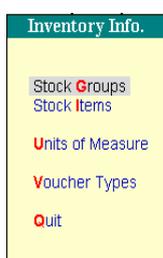
As already stated a group is the classification of Ledgers. In Tally we get almost all required groups, however if in case a new group is required, we can create the same through **"Accounts Info → Group → Create"**. Though this new group is not altogether a new group rather is a new name given to any existing group as this group is always put under any already existing group.

Inventory:

Inventory refers to the maintenance and tracking of stock items. In inventory maintenance we have to keep a record of all inward, outward and closing stock along with there quantity, unit, rate and amount. In Tally first we have to create Units of measure then Stock Groups and lastly stock items.

To create Units of Measure:

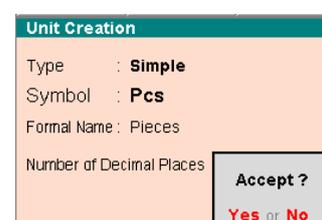
Gateway of Tally → Inventory Info → Units of Measure → Create → We have to provide Symbol of Unit, its formal name and Number of Decimal places to be used in Unit. Finally accept the information.



Gateway of Tally → Inventory Info



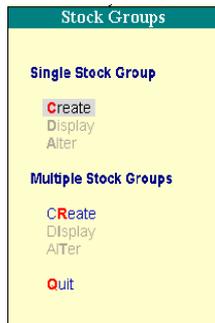
Gateway of Tally → Inventory Info → Units of Measure



Gateway of Tally → Inventory Info → Units of Measure → Create (Unit Creation)

To create Stock Groups:

Gateway of Tally → Inventory Info → Stock Groups → Create →
 We have to provide Name of Stock Group, Under Group, Can Quantities of items be added → "NO". Finally accept the information.



Gateway of
 Tally → Inventory
 Info → Stock Groups

Gateway of Tally → Inventory
 Info → Stock Groups → Create
 (Stock Group Creation)

To create Stock Items:

Gateway of Tally → Inventory Info → Stock Items → Create →
 We have to provide Name of Stock Items, Under Group, Units. Finally accept the information.



Gateway of
 Tally → Inventory Info →
 Stock Items

Gateway of Tally → Inventory Info → Stock Items
 → Create (Stock Item Creation)

Business Transaction: During business, a business organization makes several deals which include sales, purchase, payments, receipts, adjustment and many others to run the trade. These deals are known as business transaction.

In Tally we have to pass an entry to track these transactions which is very similar to journal entry as in the case of manual accountancy. The platform which is needed to pass the entry in Tally is known as vouchers. In Tally we have different vouchers for different kind of transactions.

For voucher entry select "Accounting Voucher" option in Gateway of Tally screen and then press enter. Now the screen will display a voucher. Typically in a voucher we get Voucher Name and Number, Date, Place to

enter Accounts to be debited and credited along with their amounts. Lastly we get a place for Narration. When all the fields are entered, press enter finally. A display will appear seeking your acceptance. Press enter to accept. One transaction is recorded in Tally and it will affect all the reports.

Date Change & Period Change:

To change the date of voucher, press F2. A display will appear which will show the next date. To change the date simply type the new date and press Enter to accept.

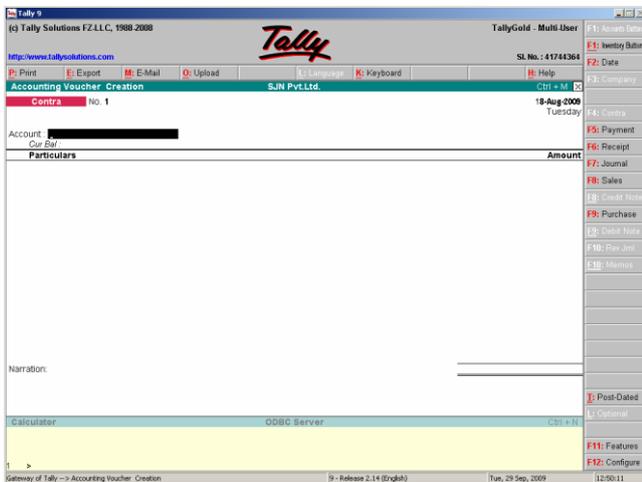
Voucher Name	Function Keys	Use of Voucher
Contra	F4	For transaction between Cash to Bank, Bank to Cash, Bank to Bank, Petty Cash to Petty Cash, Cash to Petty Cash.
Payment	F5	For all types of payments through Bank or Cash
Receipt	F6	For all types of Receipt through Bank or Cash
Journal	F7	For all types of adjustments.
Sales	F8	For all type of Cash and Credit Sales.
Purchase	F9	For all type of Cash and Credit Purchase.
Memorandum	Alt + F10	For all types of temporary transaction which is ultimately to be deleted.
Credit Note	Ctrl + F8	To Credit any account abnormally/for Sales Return
Debit Note	Ctrl + F8	To Debit any account abnormally/for Purchase Return
Delivery Note	Alt + F8	To provide & record an instrument to deliver items to the party. Does not effect accounting, effects inventory
Receipt Note	Alt + F9	To receive & record an instrument to receive items from the party. Does not effect accounting, effects inventory
Purchase Order	Alt + F4	To provide & record an instrument for confirmation of purchase. Does not effect accounting or effects inventory

Sales Order	Alt + F5	To provide & record an instrument for confirmation of sales. Does not effect accounting or inventory
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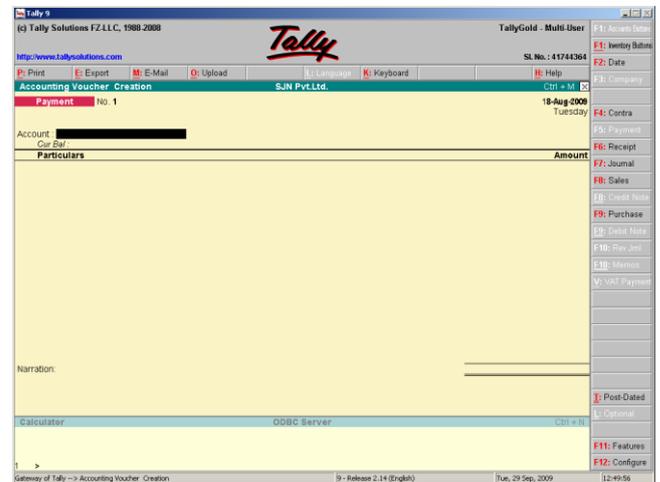
Note:

- 1- According to VAT all Purchases are considered as Credit Purchase. In case of Cash Purchase we have to pass two entries, one for credit purchase and one for cash payment.
- 2- According to VAT we have three categories of sales and we have to issue different instruments for these sales. The instruments are as followings:
 - Sales Invoice (To unregistered dealer or registered dealer where TIN not available or credit sales to end users)
 - Tax Invoice (To registered dealer where TIN is available)
 - Cash Memo (For cash sales to end users)

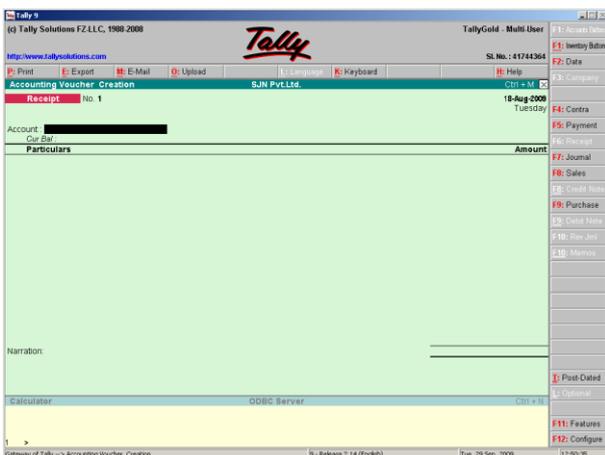
(TIN: Tax Payer’s Identification Number)



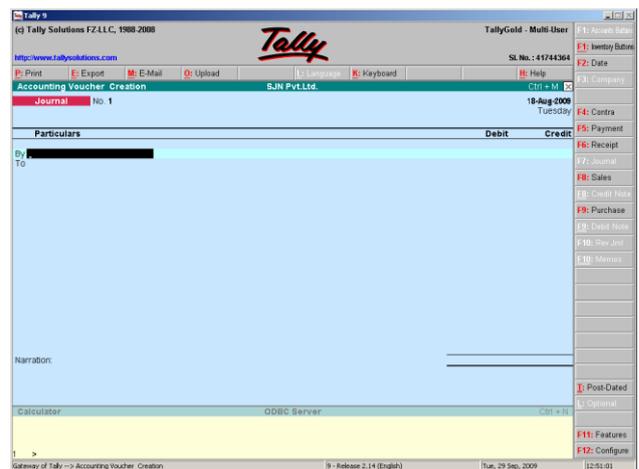
Gateway of Tally → Accounts Vouchers → F4 (Contra)



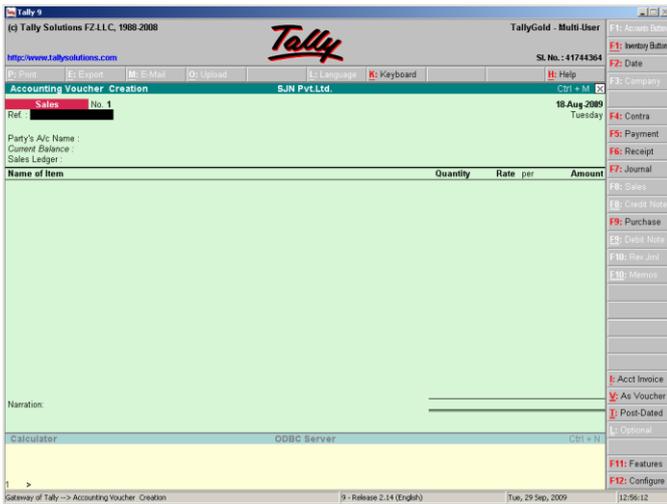
Gateway of Tally → Accounts Vouchers → F5 (Payment)



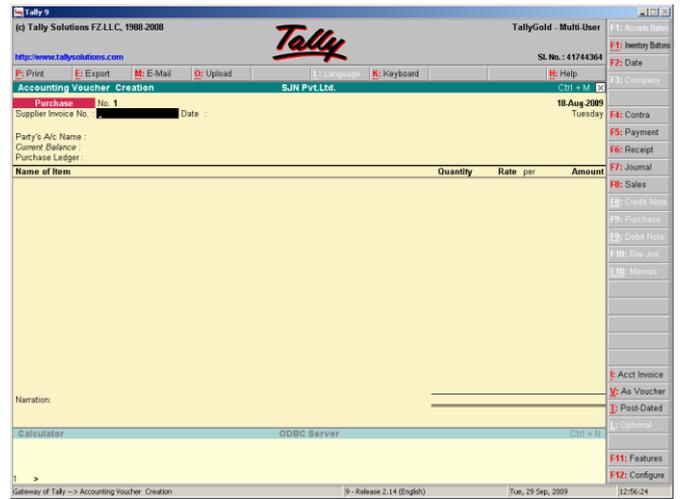
Gateway of Tally → Accounts Vouchers → F6 (Receipt)



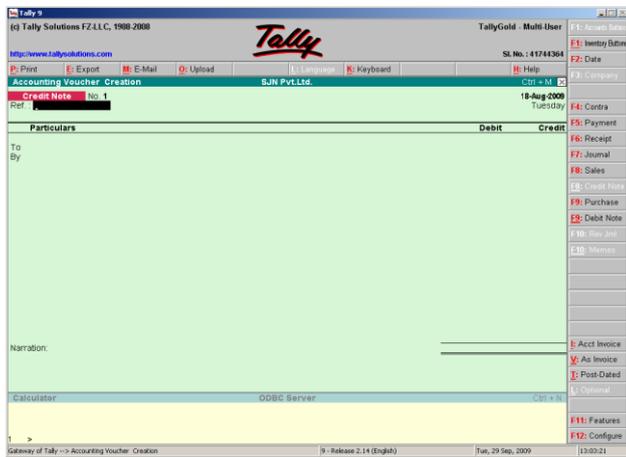
Gateway of Tally → Accounts Vouchers → F7 (Journal)



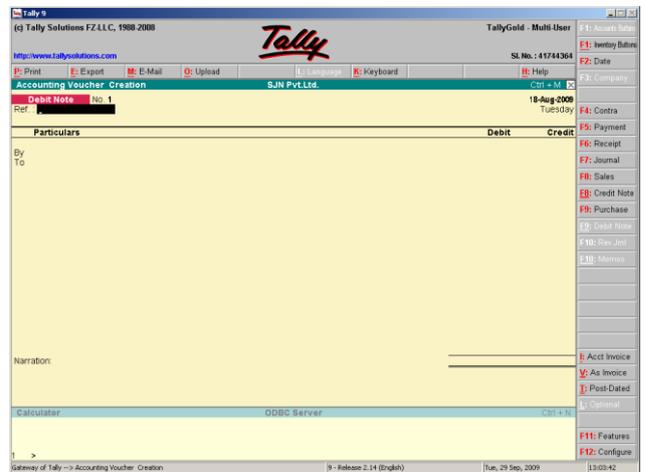
Gateway of Tally → Accounts Vouchers → F8 (Sales)



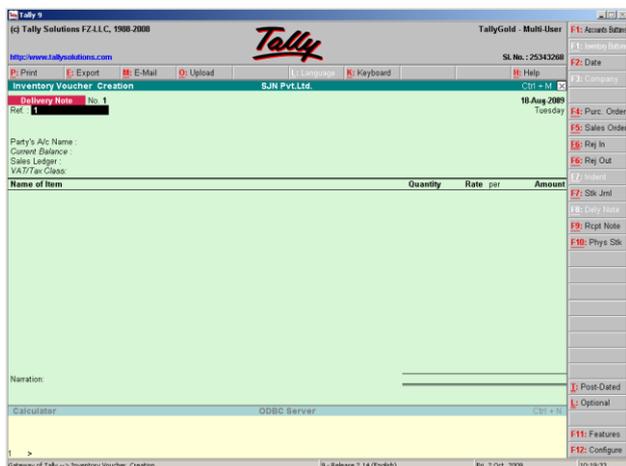
Gateway of Tally → Accounts Vouchers → F9 (Purchase)



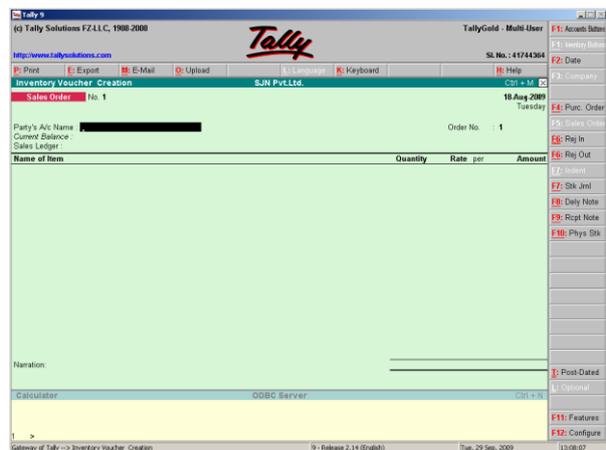
Gateway of Tally → Accounts Vouchers → Ctrl + F8 (Credit Note)



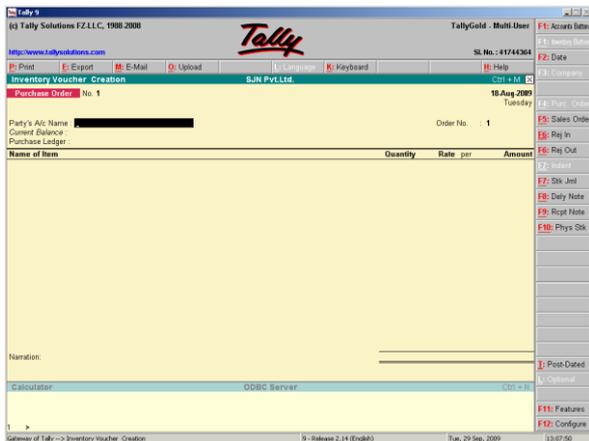
Gateway of Tally → Accounts Vouchers → Ctrl + F9 (Debit Note)



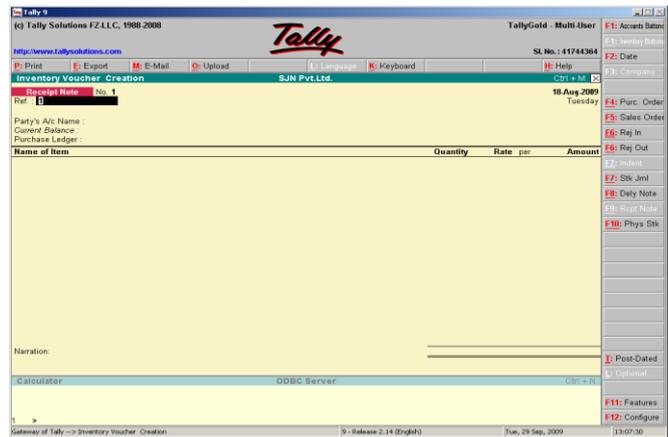
Gateway of Tally → Accounts Vouchers → Alt + F8 (Delivery Note)



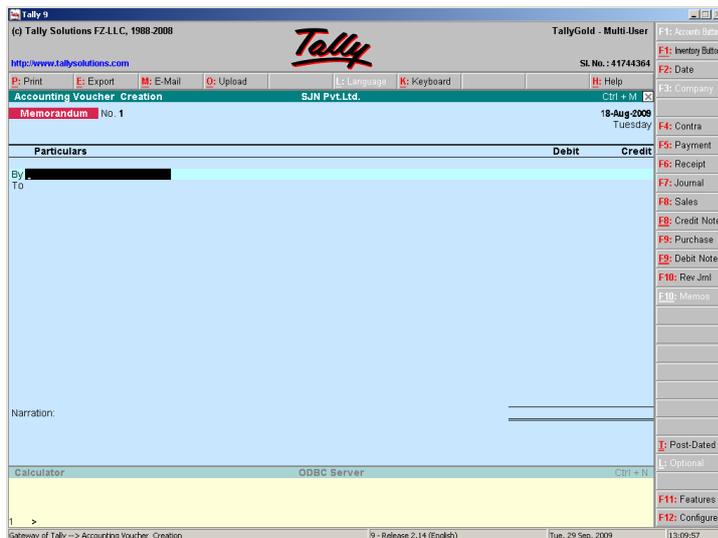
Gateway of Tally → Accounts Vouchers → Alt + F4 (Sales Order)



Gateway of Tally → Accounts Vouchers → Alt + F4 (Purchase Order)



Gateway of Tally → Accounts Vouchers → Alt + F9 (Receipt Note)



Gateway of Tally → Accounts Vouchers → Alt + F10 (Memorandum)

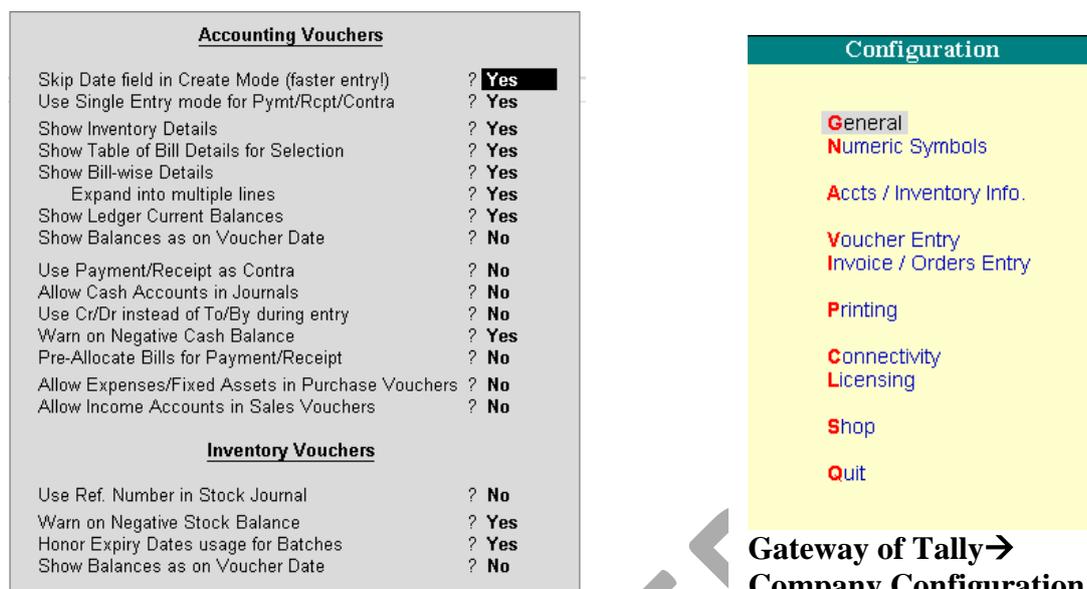
Voucher Entry:

Through voucher entry we record a transaction in Tally. There are two methods of Voucher entry:

- Single Entry Mode
- Double Entry Mode

By Default Tally 9.0 gives Single Entry Mode to record a transaction. In this mode we have to specify an account of our company which is responsible for the transaction and against this account some other account to be Debited or Credited, is mentioned along with their amounts. For Sales and Purchase we get voucher in Invoice Mode. We even can use Sales Voucher as instrument to be delivered to the customer. In Double Entry Mode we have to mention accounts to be Debited and Credited separately along with their amounts. TO/ BY or Cr/ Dr are the notations provided by Tally for Credit and Debit respectively.

To customize the voucher entry as per our own requirements and facility we have to change the configuration. To access voucher configuration, press F12. A display appears. In this display select and activate "General" option. A new display appears, here we can change the settings and can configure the voucher entry as per our choice.



Gateway of Tally → Accounts Vouchers → Voucher Configuration (F12)

Gateway of Tally → Company Configuration (F12)

Final Reports:

The purpose of accounting is to obtain certain final reports. In Tally all the reports are generated automatically. All we have to do is to customize them as per our need. The names of some important final reports are given as under:

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

To obtain any final report follow the path:

Gateway of Tally → Reports

Balance Sheet

The Balance Sheet gives the state of financial affairs of a company on a given date. It lists out the Assets and Liabilities based on the Primary Groups of Tally. The Balance Sheet in Tally is updated instantly with every transaction voucher that is entered and saved. No special processing is required to produce a Balance Sheet.

To view the Balance Sheet follow the path:

Gateway of Tally > Balance Sheet

Profit & Loss A/c

The Profit & Loss Account shows the operational results for a given period. It lists out the Incomes and Expenditures based on the Primary Groups of Tally. The Profit & Loss Account in Tally is updated instantly with every transaction voucher that is entered and saved. No special processing is required to produce a Profit & Loss Account.

Tally Assignment Master For 1-Apr-2009		Tally Assignment Master For 1-Apr-2009	
Particulars		Particulars	
Opening Stock	4,05,300.00	Sales Accounts	
Purchase Accounts		Closing Stock	4,05,300.00
Direct Expenses			
Gross Profit c/o	4,05,300.00		
Indirect Expenses		Gross Profit b/f	4,05,300.00
Net Profit		Indirect Incomes	
Total		Total	

Gateway of Tally → Profit & Loss

Tally Assignment Master For 1-Apr-2009		Tally Assignment Master For 1-Apr-2009	
Particulars		Particulars	
Opening Stock	4,05,300.00	Sales Accounts	
Purchase Accounts		Closing Stock	4,05,300.00
Direct Expenses			
Gross Profit c/o	4,05,300.00		
Indirect Expenses		Gross Profit b/f	4,05,300.00
Net Profit		Indirect Incomes	
Total		Total	

Gateway of Tally → Profit & Loss → Alt + F1

Date	Particulars	Vch Type	Vch No	Debit	Credit
1-10-2009 (as per details)	Purchase	1		1,50,000.00	
1-10-2009 (as per details)	Purchase	2		3,10,000.00	
2-10-2009 (as per details)	Purchase	4		30,000.00	
2-11-2009 (as per details)	Purchase	5		88,000.00	
1-1-2009 Goods Loss by Fire (as per details)	Journal	15			1,15,000.00
1-1-2009 BILL GATES (as per details)	Purchase	6		2,45,600.00	
31-3-2009 BILL GATES (as per details)	Journal	31			1,300.00
				Opening Balance:	
				Current Total:	8,23,600.00
				Closing Balance:	7,07,300.00

Gateway of Tally → Display → Accounts → Ledger

Date	Particulars	Vch Type	Vch No	Debit	Credit
1-10-2009 (as per details)	Purchase	1		1,50,000.00	
1-10-2009 (as per details)	Purchase	2		3,10,000.00	
2-10-2009 (as per details)	Purchase	4		30,000.00	
2-11-2009 (as per details)	Purchase	5		88,000.00	
1-1-2009 Goods Loss by Fire (as per details)	Journal	15			1,15,000.00
1-1-2009 (as per details)	Purchase	6		2,45,600.00	
31-3-2009 BILL GATES (as per details)	Journal	31			1,300.00
				Opening Balance:	
				Current Total:	8,23,600.00
				Closing Balance:	7,07,300.00

Gateway of Tally → Display → Accounts → Ledger → Alt + F1



Special Key Combination

Windows	Functionality	Availability
F1	To select a company To select the Accounts Button and Inventory buttons	At all masters menu screen At the Accounting / Inventory Voucher creation and alteration screen
F2	To change the menu period	At almost all screens in TALLY
F3	To select the company	At almost all screens in TALLY
F4	To select the Contra voucher	At Accounting / Inventory Voucher creation and alteration screen
F5	To select the Payment voucher	At Accounting / Inventory Voucher creation and alteration screen
F6	To select the Receipt voucher	At Accounting / Inventory Voucher creation and alteration screen
F7	To select the Journal voucher	At Accounting / Inventory Voucher creation and alteration screen
F8	To select the Sales voucher	At Accounting / Inventory Voucher creation and alteration screen
F8 (CTRL+F8)	To select the Credit Note voucher	At Accounting / Inventory Voucher creation and alteration screen
F9	To select the Purchase voucher	At Accounting / Inventory Voucher creation and alteration screen
F9 (CTRL+F9)	To select the Debit Note voucher	At Accounting / Inventory Voucher creation and alteration screen
F10	To select the Reversing Journal voucher	At Accounting / Inventory Voucher creation and alteration screen
F10	To select the Memorandum voucher	At Accounting / Inventory Voucher creation and alteration screen
F11	To select the Functions and Features screen	At almost all screens in TALLY
F12	To select the Configure screen	At almost all screens in TALLY
ALT + 2	To Duplicate a voucher	At List of Vouchers – creates a voucher similar to the one where you positioned the cursor and used this key combination

ALT + A	To Add a voucher	At List of Vouchers – adds a voucher after the one where you positioned the cursor and used this key combination.
ALT + C	To create a master at a voucher screen (if it has not been already assigned a different function, as in reports like Balance Sheet, where it adds a new column to the report)	At voucher entry and alteration screens, at a field where you have to select a master from a list. If the necessary account has not been created already, use this key combination to create the master without quitting from the voucher screen.
ALT + D	To delete a voucher To delete a master (if it has not been already assigned a different function, as explained above)	At Voucher and Master (Single) alteration screens. Masters can be deleted subject to conditions, as explained in the manual.
ALT + E	To export the report in ASCII, SDF, HTML OR XML format	At all reports screens in TALLY
ALT + I	To insert a voucher	At List of Vouchers – inserts a voucher before the one where you positioned the cursor and used this key combination.
ALT + O	To upload the report at your website	At all reports screens in TALLY
ALT + M	To Email the report	At all reports screens in TALLY
ALT + P	To print the report	At all reports screens in TALLY
ALT + R	To remove a line in a report	At all reports screens in TALLY
ALT + S	To bring back a line you removed using ALT + R	At all reports screens in TALLY
ALT+ V	From Invoice screen to bring Stock Journal screen	At Invoice screen à Quantity Field à Press Alt + V to select the Stock Journal.
ALT + W	To view the Tally Web browser.	At all reports screens in TALLY
ALT + X	To cancel a voucher in Day Book/List of Vouchers	At all voucher screens in TALLY
ALT + R	To Register Tally	At Licensing Menu in TALLY

CTRL + A	To accept a form – wherever you use this key combination, that screen or report gets accepted as it is.	At almost all screens in TALLY, except where a specific detail has to be given before accepting.
CTRL + B	To select the Budget	At Groups/Ledgers/Cost Centres/ Budgets/Scenarios/Voucher Types/ Currencies (Accounts Info) creation and alteration screen
CTRL + C	To select the Cost Centre To select the Cost Category	At Groups/Ledgers/Cost Centres/ Budgets/Scenarios/Voucher Types/ Currencies (Accounts Info) creation and alteration screen At Stock Groups/ Stock Categories/ Stock Items/ Reorder Levels/ Godowns/ Voucher Types / Units of Measure (Inventory Info) creation/alteration screen
CTRL+ E	To select the Currencies	At Groups/Ledgers/Cost Centres/ Budgets/Scenarios/Voucher Types/ Currencies (Accounts Info) creation and alteration screen
CTRL + G	To select the Group	At Groups/Ledgers/Cost Centres/ Budgets/Scenarios/Voucher Types/ Currencies (Accounts Info) creation and alteration screen
CTRL + I	To select the Stock Items	At Stock Group/ Stock Categories/ Stock Items/ Reorder Levels/ Godowns/ Voucher Types / Units of Measure (Inventory Info) creation/alteration screen
CTRL + L	To select the Ledger	At Groups/Ledgers/Cost Centres/ Budgets/Scenarios/Voucher Types/ Currencies (Accounts Info) creation and alteration screen

CTRL + O	To select the Godowns	At Stock Group/ Stock Categories/ Stock Items/ Reorder Levels/ Godowns/ Voucher Types / Units of Measure (Inventory Info) creation/alteration screen
CTRL + Q	To abandon a form – wherever you use this key combination, it quits that screen without making any changes to it.	At almost all screens in TALLY.
CTRL + Alt + R	Rewrite data for a Company	From Gateway of Tally screen
CTRL + S	Allows you to alter Stock Item master	At Stock Voucher Report and Godown Voucher Report
CTRL + U	To select the Units	At Stock Groups/ Stock Categories/ Stock Items/ Reorder Levels/ Godowns/ Voucher Types / Units of Measure (Inventory Info) creation/alteration screen
Ctrl + V	To select the Voucher Types	At Groups/Ledgers/Cost Centers/ Budgets/Scenarios/Voucher Types/ Currencies (Accounts Info) creation and alteration screen
ALT + F1	To close a company To view detailed report To explode a line into its details	At all the menu screen At almost all report screen At almost all screens in TALLY
ALT+ F2	To change the system period	At almost all screens in TALLY
ALT + F3	To select the company info menu To create/alter/shut a Company	At Gateway of Tally screen
ALT + F4	To select the Purchase Order Voucher Type	At Accounting / Inventory Voucher creation and alteration screen

ALT + F5	To select the Sales Order Voucher Type To view monthly and quarterly report	At Accounting / Inventory Voucher creation and alteration screen At almost all report screens in TALLY
ALT + F6	To select the Rejection Out Voucher Type To change the Sales Order Voucher Type	At Accounting / Inventory Voucher creation and alteration screen
ALT + F7	To select the Stock Journal Voucher Type To accept all the Audit lists	At Accounting / Inventory Voucher creation and alteration screen At Tally Audit Listing screen
ALT+ F8	To select the Delivery Note Voucher Type To view the Columnar report	At Accounting / Inventory Voucher creation and alteration screen At Ledger Voucher screen
ALT + F9	To select the Receipt Note Voucher Type	At Accounting / Inventory Voucher creation and alteration screen
ALT + F10	To select the Physical Stock Voucher Type	At Accounting / Inventory Voucher creation and alteration screen
ALT + F12	To filter the information based on monetary value	At almost all report screens
CTRL + ALT + F12	Advanced Config	At Gateway of Tally
PgUp	Display previous voucher during voucher entry/alter	At voucher entry and alteration screens
PgDn	Display next voucher during voucher entry/alter	At voucher entry and alteration screens

ENTER	<p>To accept anything you type into a field.</p> <p>To accept a voucher or master</p> <p>To get a report with further details of an item in a report.</p>	<p>You have to use this key at most areas in TALLY</p> <p>At the receivables report – press Enter at a pending bill to get transactions relating to this bill (e.g., original sale bill, receipts and payments against this bill, etc)</p>
ESC	<p>To remove what you typed into a field</p> <p>To come out of a screen</p> <p>To indicate you do not want to accept a voucher or master.</p>	<p>At almost all screens in TALLY.</p>
SHIFT + ENTER	<p>Collapse next level details</p>	<p>At Voucher Register screen and Trial Balance report</p>
SHIFT + ENTER	<p>To explode a line into its details</p>	<p>In almost all Reports:</p> <p>At a Group/Stock Group/Cost Category/Godown/Stock Category – displays Sub Groups and Ledgers/Stock Items/Cost Centres/Secondary Godowns/Secondary Stock Categories</p> <p>At a Voucher – displays its entries and narration</p> <p>At a Stock Item- displays its godowns and batch details</p> <p>At Voucher Register screen – displays the next level details</p> <p>At Trial Balance report - displays the next level details</p>
CTRL + ENTER	<p>To alter a master while making an entry or viewing a report</p>	<p>At voucher entry and alteration screens</p> <p>At all reports</p>