

Allied Paper II

**COMPUTER APPLICATION IN
BUSINESS**

II BCA – 16SACAOB2

Syllabus

Unit I

Computer – Meaning – Characteristics – Areas of application – Components – Memory control unit – Input and output devices – Ms Word – Creating word documents – creating business letters using wizards – editing word documents – inserting objects – formatting documents – spelling and grammar check – word count – thesaurus, auto correct working with tables – opening, saving and closing documents – mail merge.

Unit II

Spread sheet – Spread sheet programmes and applications – Ms Excel and features – Building work sheets – entering data in work sheets, editing and formatting work sheets – creating and formatting different types of charts - application of financial and statistical function – creating, analyzing and organizing data – opening and closing work books – Introduction to Pivot tables.

Unit III

Fundamentals of Computerized accounting – Computerized accounting Vs manual accounting - Architecture and customization of Tally – Features of Tally – latest version – Configuration of Tally – Tally screens and menus – Creation of company – Creation of groups – Editing and deleting groups – Creation of ledgers – Editing and deleting ledgers – Introduction to vouchers – Vouchers entry – Payment vouchers – Receipt vouchers – Sales vouchers – Purchase vouchers – Contra vouchers – Journal vouchers – Editing and deleting vouchers.

Unit IV

Introduction to Inventories – Creation of stock categories – Creation of Stock groups – Creation of Stock items- Configuration and features of stock item– Editing and deleting stocks – Usage of stocks in Vouchers entry. Purchase orders – Stock vouchers – Sales orders – Stock vouchers – Introduction to cost – creation of cost category – Creation cost centres – Editing and deleting cost centres & categories – Usage of cost category and cost – centres in vouchers entry – Budget and controls – Creation of budgets – Editing and deleting budgets – Generating and printing reports in detailed and condensed format.

Unit V

Day books– Trial balance – Profit and Loss account – – Balance sheet . Ratio analysis, Cash flow statement – Fund flow statement – Cost centre report – Inventory report - Bank Reconciliation Statement.

Computer Application in Business

TWO MARKS

UNIT I

1. Define cache memory?

A small memory between CPU and main memory is called cache. The speed is equal to the CPU. Cache memory acts as a high speed buffer between CPU and Main memory.

2. Define ROM?

ROM is a non-volatile memory that contains permanent data.

3. What are the basic operations of computer?

- Input
- Process
- Storing
- Controlling and
- Output.

4. What are the characteristics of computer?

- Speed
- Accuracy
- Automation
- Endurance
- Versatility
- Storage and
- Cost reduction

5. Define data and information.

Data: Raw material for information processing

Information: The processed data is called information.

6. What are the different types of ROM?

- Masked ROM,
- PROM
- EPROM
- EEPROM
- Flash ROM

7. Define RAM?

RAM is a volatile memory that contains temporary data that can be accessed at high speed.

8. Define computers?

A computer is a programmable machine or device that performs pre-defined or programmed computations or controls operations that are expressible in numerical or logical terms at high speed and with great accuracy.

9. Why computer is known as data processing system?

Any process that uses a computer program will enter data and summarize, analyze or otherwise convert data into usable information. The process may be automated and run on a computer. It involves recording, analyzing, sorting, summarizing, calculating, disseminating and storing data. **Thus Computer is known as data processing system.**

10. What are the basic operations of Computer?

- 1) It accepts data or instructions by way of input.
- 2) It stores data.
- 3) It can process data as required by the user.
- 4) It gives results in the form of output.
- 5) It controls all operations inside a computer.

11. Give the applications computer?

- Word Processing
- Internet
- Desktop publishing
- Digital video or audio composition
- Mathematical Calculations
- Robotics
- Weather analysis

12. How will you classify computer systems?

Based on physical size, performance and application areas, we can generally divide computers into four major categories:

1. Micro computer

2. Mini Computer

3. Mainframe computer and

4. Super Computer

13. Specify the Electronic components used for different computer generations.

Generations	Electronic Components
I Generation	Vacuum tubes
II Generation	Transistors
III Generation	Integrated Circuits
IV Generation	Microprocessors
V Generation	Artificial Intelligence

14. Expand ENIVAC, ABC, EDVAC, EDSAC and UNIVAC.

ENIAC – Electronic Numerical Integrator and Calculator.

ABC – Atanasoff and Berry Computer.

EDVAC – Electronic Discrete Variable Automatic Calculator.

EDSAC – Electronic Delay Storage Automatic Calculator.

UNIVAC – UNIVersal Automatic Computer.

15. Who is the father of computer? Why?

Charles Babbage is the father of computer, because the parts and working principle of the Analytical Engine, which is invented by Charles Babbage is similar to today's computer.

16. What are the functions in the input unit?

An input device is a device that is used to input data or information into a computer. Some examples of input devices include:

- Keyboards.
- Computer mice.
- Light Pen.
- Digitizer.
- Touchpad.
- Trackball.
- Image scanner.
- Webcam.
- Video capture / tuner cards.
- Microphones.
- MIDI instruments.

17. What are the functions in the output unit?

In computers, a unit which delivers information from the computer to an external device or from internal storage to external storage.

- Speakers.
- Printer.
- Headphone.
- Monitor (or) Visual Display Unit (VDU).
- Plotter.

18. What is an ALU?

Arithmetic logic unit, the part of a computer that performs all arithmetic computations, such as addition and multiplication, and all logical operations such as comparison operations. The ALU is one component of the CPU (central processing unit).

19. What is a CPU?

The CPU (central processing unit) is the part of a computer controls the interpretation and execution of instructions. Generally, the CPU is a single microchip.

The CPU, clock and main memory make up a computer. A complete computer system requires the addition of control units, input, output and storage devices and an operating system.

20. Define personal computers?

A small, relatively inexpensive computer designed for an individual user. In price, personal computers range anywhere from a few hundred dollars to thousands of dollars. All are based on the microprocessor technology that enables manufacturers to put an entire CPU on one chip.

Example:

- Businesses use personal computers for word processing, accounting, desktop publishing, and for running spreadsheet and database management applications.
- At home, the most popular use for personal computers is for playing games.

21. Define Mainframe computer?

Mainframes are computers used mainly by large organizations for critical applications, typically bulk data processing such as census, industry and consumer statistics, enterprise resource planning, and financial processing.

The term probably had originated from the early mainframes, as they were housed in enormous, room-sized metal boxes or frames.

22. Define Mini computers?

A mini computer is a multi-user or time-sharing system. It is used for medium scale data processing such as Bank account processing, Payroll processing etc., Mini computer process greater storage capacity and larger memories as compared to micro computer.

23. Define super computer?

The fastest type of computer. Supercomputers are very expensive and are employed for specialized applications that require immense amounts of mathematical calculations.

For example, weather forecasting requires a supercomputer. Other uses of supercomputers include animated graphics, fluid dynamic calculations, nuclear energy research, and petroleum exploration.

24. Define Software?

Computer instructions or data, anything that can be stored electronically is software. (Or)

Computer software or just software is a general term used to describe the role that computer programs, procedures and documentation in a computer system.

25. Define Hardware?

Computer hardware - (computer science) the mechanical, magnetic, electronic, and electrical components making up a computer system hardware.

Hardware includes not only the computer proper but also the cables, connectors, power supply units, and peripheral devices such as the keyboard, mouse, audio speakers, and printers.

26. Define memory?

Computer memory refers to devices that are used to store data or programs (sequences of instructions) on a temporary or permanent basis for use in an electronic digital computer.

27. What is a volatile and non-volatile memory?

Volatile memory: also known as volatile storage is computer memory that requires power to maintain the stored information, unlike non-volatile memory which does not require a maintained power supply. It has been less popularly known as temporary memory.

Non-volatile memory: nonvolatile memory, NVM or non-volatile storage, is computer memory that can retain the stored information even when not powered.

Examples of non-volatile memory

- read-only memory
- flash memory
- most types of magnetic computer storage devices (e.g.hard / floppy disks & magnetic tape)
- optical discs
- Early computer storage methods such as paper tape and punch cards.

Non-volatile memory is for long-term persistent storage. The most widely used form of primary storage today is a volatile form of random access memory (RAM), meaning that when the computer is shut down, anything contained in RAM is lost.

28. What is a primary memory?

The primary memory or the main memory is part of the main computer system. The processor or the CPU directly stores and retrieves information from it. This memory is accessed by CPU, in random fashion. That means any location of this memory can be accessed by the CPU to either read information from it, or to store information in it.

Types of Primary Memory:

- RAM is RWM (Read Write Memory), the CPU can write and read information from any primary memory location implemented using RAM.
- ROM stands for Read Only Memory.

29. What is a secondary memory?

The secondary memory is much slower and also less costly. It stores the data permanently unless it is erased.

Examples:

Floppy disk storage media
Hard disk CD / DVD Pen drive
Memory chips etc.,

30. What is a microprocessor?

A microprocessor incorporates most or all of the functions of a central processing unit (CPU) on a single integrated circuit (IC).

The first microprocessors emerged in the early 1970s and were used for electronic calculators, using binary-coded decimal (BCD) arithmetic on 4-bit words.

31.What is editing the document?

Undo and Redo:

❖ Undo:

If the undo button is pressed then the last change made is deleted and the original text is displayed.

Undo can be done in two ways:

- Click undo button.
- Press ctrl+Z.
- Click the undo command from the Home menu.

❖ **Redo:**

If the Redo button is pressed then the changes made will be displayed in the document.

Undo can be done in two ways:

- Click redo button.
- Press ctrl+Y.
- Click the redo command from the Home menu.

32. Types of formatting documents?

The document is aligned in various formats. Some of them

- a) Formatting of Font,Font size, Font type and Font style.
- b) Paragraph Indents
- c) Paragraph Alignments
- d) Auto format
- e) Bullets and Numbering
- f) Table and grid lines
- g) Header and footer
- h) Line Spacing

33. What is MS-Word?

MS-word rotten called is a graphical ward processing program that users can type with it is made by the computer company Microsoft. Its purpose is to allow users to type and save documents similar to other word processor it has helpful tools to make documents.

34. What is working with menus?

System means can also hold custom commands for example for navigating between application's windows content menu is shown for the selected objected or control by right clicking it and holds items specified to the current context. Context menus are also called popup means or shortcut menus.

35. What is a files?

A computer file is a computer resource for recording data discretely in a computer storage device.

A collection of information or material on one subject that is stored together in a computer on a disk with a particular name.

Any of several different types of counts used to store papers, letter and other document.

36. What is Editing?

Editing is the process of selecting and preparing writing, photography, and visual, audible and film media used to convey information.

The editing process often begins with the author's idea for the work itself, containing as a collaboration between the author and the edit as the work is created.

37. What is view?

A filter that allow users to embed content lists generated by the views module into node bodies and block using relatively simple tag syntax.

38. Where are the table tools? Office support?

You may want to be change the design of an excel table pivot table or refresh their data or some options for them if you see the table tools or pivot tools on your worksheet, do this if you we selected an excel table, you'll see the table tool with a design tab.

39. How to find and replace the Text in MS word?

Have your ever finished typing a letter report or presentation only to discover that you misspelled a person's name or had the wrong company listed multiple times throughout your word's find and replace feature. You can quickly locate and replace text let's see how it works.

40. How to Printing a document with a header and footer?

Text inserted in the top margin of each page of a document is called a header and text inserted in the bottom margin is called file name, text of up to 16 double byte or 32 single - byte characters can be inserted into these areas.

41. How to checking setting grammar option?

Word includes a full featured grammar checker that allows you to check your document (or a section of it) for common grammar mistakes. Each potential error is displayed and you are given the opportunity to make changed.

42. What are the Advantage of MSword?

The Advantage of MSword:

- Web page creation,
- Creating Mail merge,
- Working with table and indexes,
- Cut, copy, paste functions,
- Aligning of documents,
- Spelling and grammar check facility,
- Formatting documents,
- Insertion of pictures and documents.

43. How to open the word document?

Opening a word document:

Start-> programs-> Ms Office-> Microsoft word 2007

44. Write the components of MS-word window?

In word contain number of components. Some components are

1. Title bar
2. Menu bar
3. Standard toolbar
4. Scroll bar
5. Ruler

45. Write the menus in MS-word menu bar.

- In menu bar contains number of menu. They are

Home	Mailings
Insert	Review
Page layout	View
References	Help

46. How to create the word document in different ways?

CREATING A WORD DOCUMENT

Word documents are the text documents may be files or letters or books.

- Start-> programs-> Ms Office-> Microsoft word 2007
- Then click the new from file menu.(File->New)
- Click the blank document and then create button.

The screen will automatically display the new document. Then typing the text. If the line will be end press the enter for next line.

Save the document with required drive or folder.(File->save)

Example: Select D drive and, Studies folder and type the file name.

D:\Studies\myfile1.doc,(document)

The extension .doc is automatic and need not be typed.

Creating New Document: File->New or Ctrl+N.

47. How to save the MS-WORD Document?

- Saving the Document: File->Save or Ctrl+S.
- Save as method: File->Save as->Select folder or Drive->
Type name of the file->click save

48. How to insert object?

INSERTING OBJECTS

Graphics can be inserted in the word document. The graphics can be inserted using picture and clip art.

1. Insert → Picture

To insert a picture which are saved to our computer.

2. Insert→clipart

Click the clipart twice or select the art and click the insert button.

Now the picture and clipart will be inserted.

49. Write about Spelling and grammar check.

Spelling and grammar check

- It is used for check the words spelling and grammar.
- Type the word and click the following commands for checking the spelling.
- Review→Spelling and grammar check

50. Write about Auto correct.

Auto correct

- If typing errors are done , then changes can take place automatically.
- For example, if you type 'teh', then it will be automatically changed as the .
- If you type 'adn'then it will be changed as 'and'.

51. Write about book mark.

i) Book Mark

- Book marks are specific location in the Word documents and these are generally used to identify the locations of the tables, chapters and objects.
- Click Insert→Book mark→Dialog box→Enter book mark name→Click Go

52. Write about Cross Reference.

- Cross reference is the reference to any other item.
- The item may or may not be in the same document.
- For this purpose hyperlinks are to be created.

53. Write about WORD COUNT

WORD COUNT

- It provides information relating to words, pages, etc.
- Word document is used to count pages, words, characters, characters with spaces, Paragraphs and lines in the document.
- Review→word count.

54. What is header and footer?

Header and Footer

- In insert menu select the header and footer command. Then dotted lines appear in the top of the page with small tool box.
- Type the required heading, insert time, date, use page number button.
- Click the footer section use the commands for date, time, page number etc.

55. What is the usage of Mail merge?

MAIL MERGE

- When the same letter or document is to be addressed to various people, the mail merge can be used. It is very useful and powerful addition in windows 98.
- Letters, envelopes and mailing labels can be printed in a beautiful manner.
- The master document and data files to be created and merged.
- Example:

Interview letters, business letters, circulars to be printed at the time number of agents and staff.

UNIT 2

1. What is MS PowerPoint?

PowerPoint is a Microsoft presentation programs that creates a slide show of important information charts and images to display during a presentation.

2. Which key can be used to view slide show?

F5 is a probably the most of them used function key in PowerPoint. You can quickly see how your slide show looks in full screen.

3. What are the features of PowerPoint?

- Adding smart art
- Inserting shapes
- Inserting an image
- Slide transition

4. What is the purpose of slide show views?

Slide views are used to view slides in four different modes such as normal slide sorter, reading and slide show.

5. What is the slide show sorter view?

In this view one can see slides in a sorter view therefore one has the facility to view all of the slides in a single view.

6. What is the meaning of custom animation?

Custom animation is a set of effects which can be applied to objects in PowerPoint so that they will animate in the slide show.

7. What is the function of custom animation?

Add or change animation effects on the current slide. Animation is a feature that makes the objects inserted on the slide move. You can highlight important parts or make the presentation more lively if you apply animation effects to objects.

8. What is the purpose of the ribbon?

The ribbon is designed to help you quickly find the commands that you need to complete a task.

9. What is the purpose of the slide tab?

Slide tabs are used to view and work with the slides.

10. What is background view?

The background view is where you manage your files and the data about them creating savings, inspecting for hidden metadata or personal information and setting option.

Unit 3

1. What is Tally ERP.9?

Tally.ERP. 9 Tally's main product is its enterprise resource planning software called Tally.ERP 9 with single and multi-user licences. For large organisations with many branches, Tally. Server 9 is offered. The software handles accounting, inventory management, tax management, payroll etc.

2. List any two features of Tally ERP.9.

Tally is simple accounting software whose popularity rests on many of its user-friendly features some of these are follows:

1. Concurrent multi-lingual capability
2. Data reliability
3. User-defined security level
4. Internal backup/restore
5. Multi-directory of company management
6. Import/Export of data
7. Graphical analysis of data
8. Ability to publish report and document on the Internet
9. Print preview
10. Data synchronisation

3. List the components of Tally ERP.9 window.

The Tally.ERP 9 window, contain various components that can be used to perform various function in Tally. The following are the major components present in this window.

1. The horizontal button bar
2. The Gateway of Tally screen
3. The button bar
4. The product information bar
5. The status bar

4. How to open the gateway of Tally Screen?

1. Shortcut stores on the Desktop
2. Start >> Program >> Tally.ERP 9

The first Screen is called **Gateway of Tally.ERP.**

Gateway of Tally is the screen that appears on selecting a company. The Gateway of Tally menu differs based on the type of company selected. An **Accounts Only** Company has a different **Gateway of Tally** menu from that of an **Accounts-with-Inventory** Company.

5. What do you mean by stock item?

Stock items are the goods that you manufacture or trade. In other words, stock items are items or products, which can be bought, sold or issued for a production purpose. In Tally, you can create stock items by using the Stock Items menu.

6. Write down the steps to display stock group.

- 1) Select the Display option under Single Stock Group in the Stock Group menu, The list of Groups menu appears
- 2) Select the desired stock group whose details you want to view from the List of Groups menu. In our case, we have selected computer. The Stock Group screen appears, displaying the details of the selected stock group
- 3) Press the ESC key to close the stock Group Display. The List of Groups menu appears. You can now select another stock group to view its details. Otherwise, press the ESC key to go back to the stock Group menu.

7. Write down the steps to display a single stock category.

- 1) Select the Display option under Single stock Category, press the ESC key. The List of Categories menu. The List of Categories menu appears
- 2) Select the stock Categories whose details you want to view. In our case, we have selected Samsung Monitor. The Stock Group Categories display screen appears, displaying the details of the selected stock categories

8. Define Group.

Groups are a collection of ledgers of the same nature. An account group is a method of coordinating ledger accounts into a tree structured hierarchy. Each account group is a component of either assets, liabilities, income and expenditure.

9. What is Ledger?

Ledger is the most important part of your company's financial records. It constitutes the records of each transaction, such as withdrawal or deposit of money through vouchers.

10. What is Voucher?

A Voucher is a primary document that contains the details of account transactions. The transactions are recorded in vouchers and affect the profit and loss account and balance sheet.

11. Write down the steps to display Single Group in Tally ERP.9.

- Step 1 : Select the display option under Single group in the group menu.
 - Step 2: Select a group you want to display from the list of group menu
- The group display screen appears with details of the selected account group.

12. Write down the steps to display Single Ledger in Tally ERP.9.

- Step 1: Click the display option under Single ledger in the Ledgers Menu.
- Step 2: Select the ledger that you want to display from the list of ledgers menu.

The Ledger display screen appears with information pertaining to the selected ledger

13. Write down the steps to display balance sheet in Detailed format

- Open Tally program.
- Select your Company. In our case, we shall select M/s XYZ Limited.
- Select 'Display' under gateway of tally.
- Some time an option is shown under gateway of tally as Final Account. In this case select 'Final Accounts'.
- Select 'Balance Sheet'. After you select 'Balance Sheet' then the screen shall appear

14. Write down the steps to display Trail Balance in Detailed format

- Open Tally program.
- Select your Company. In our case, we shall select M/s XYZ Limited.
- Select 'Display' under gateway of tally.
- Select 'Trial Balance' Press 'Enter key'
- After you select 'Trial Balance, a screen will appear

15. Write down the steps to display a Voucher in Tally ERP.9.

- Click the Display option under the Voucher Type menu.
- Select any voucher from the List of Voucher Type menu to see the details. The Voucher Type Display screen. Which gives the relevant information of the selected voucher appears.
- Press the ESC key on the close button to close the Voucher Type Display screen after viewing the details.

16. What do you mean by final accounts and why do we prepare final accounts?

Final accounts are summaries of ledger accounts prepared to show the profit or loss of the business and financial position of the business at the end of the accounting year. It consist of Trading A/c, Profit and loss A/c and Balance sheet. It is prepared to ascertain the true financial position of the business.

17. What is Balance sheet?

It is a statement of assets and liabilities of a business prepared at the end of the accounting period with the object of ascertaining the financial position of the business.

18. What is profit and loss account?

It is an account prepared with all the indirect expenses and indirect incomes to ascertain Net profit or Net loss of the firm in a particular period.

19. What is an invoice?

It is the written statement giving the particulars of the quantity quality and the price of goods purchased on credit. This same invoice is known as inward invoice for the purchaser and outward invoice for the seller.

20. What is purchase book?

Purchase book is a subsidiary book in which only credit purchases of goods are recorded.

21. What is Sales book?

It is a subsidiary book in which only credit sale of goods are recorded.

22. What is Debit note?

At the time of return of goods a document is prepared showing goods returned to suppliers. The document is called Debit note.

23. What is credit note?

Credit note is the document prepared to record the quantity and value of goods returned by customers.

Computer Application in Business

All units

2 Marks ,5 marks and 10 marks

2 Marks

1. What is computer?
2. List out any five input device.
3. Define spreadsheet.
4. List out any five statistical functions.
5. How to create a group.
6. Define voucher.
7. How to create a stock group.
8. Define inventory.
9. Define Balance Sheet.
10. How to create a trial balance.
11. Define Table.
12. List out components of computer.
13. How to save the worksheet in Ms-excel.
14. List out any five types of chart.
15. What are the types of voucher.
16. Define Tally.
17. How to create a budget.
18. How to deleting stock.
19. Define Day book.
20. How to create a balance sheet.
21. List out the characteristics of a computer.
22. Define: Processing.
23. Define: Control unit.
24. List out the difference between magnetic core & semi conductor memory.
25. What is meant by OCR?
26. Define: Speed.
27. What is meant by input?
28. Define: Memory address register.
29. Difference between dynamic & static RAM.
30. What is meant by VDU?

5 Marks

1. Explain about the output device.
2. How to the opening, saving and closing document.
3. Explain about the features of Ms-excel.
4. Describe about the working about worksheet.
5. How to the create a ledger.
6. How to editing and deleting a group.
7. How to create a stock categories.
8. How to editing and deleting a cost centers.
9. How to create a profit and lost account.
10. Explain about the balance sheet and Ratio analysis.
11. Explain about the characteristics of computer.
12. Describe about working with Table.
13. How to editing and formatting of worksheet.
14. Describe about the chart and it's types.
15. How to the create a voucher
16. Describe about the features of Tally.
17. How to create a cost categories..
18. How to editing and deleting a budget.
19. How to create a trial balance.

10 Marks

1. How to creating and editing of document.
2. Explain about the statistical functions.
3. How to create a company in Tally.
4. How to create a cost voucher.
5. How to prepare the Bank reconciliation statement.
6. Explain about Area of application in computer.
7. How to building of worksheet. Explain it
8. Different between the computerized accounting and manual accounting.
9. How to prepare the trial balance.

COMPUTERISED ACCOUNTING SYSTEM

Computerised Accounting System

A computerized accounting system is an accounting system that processes the financial transactions and events to produce reports as per user requirements.

When a system contains only human resources it is called manual system. When it uses only computer resources it is called computerized system and when it uses both human and manual computer resources it is called computer based system.

In modern business, accounting transactions are processed through computers. Usage of computers and information technology enables a business to get accounting information quickly and accurately to take correct and timely decision. CAS takes accounting transactions as inputs that are processed through accounting software to generate reports like Day book, Ledger, Trial balance, Profit and loss account and Balance sheet.

Need for computers in accounting:

The introduction of globalization has resulted in the rise of business operations. Consequently every medium and large sized organizations require well established information system in order to generate information required for decision making and achieving the organizational objectives. This made information technology to play vital role in supporting business operations. The need for computerized accounting arises from the following points:

1. Numerous Transactions:

The computerized accounting system is capable of handling large number of transactions with speed and accuracy.

2. Instant Reporting:

The computerized accounting system is capable of handling large number of transactions with speed and accuracy.

3. Flexible in Reporting:

The reports of a manual accounting system reveal balances of accounts on periodic basis while computerized accounting system is capable of generating reports of any balance as and when required and for any duration which is within the accounting period.

4. Reduction in paper work:

A manual accounting system requires large physical storage space to keep accounting records and vouchers. But it is less in case of computerized accounting.

5. Accuracy:

The reports generated by computerized accounting system are accurate and therefore quite reliable for decision making.

6. Security:

Security provided by the computerized accounting system is far superior as compared to any security offered by the manual accounting system.

Features of computerized accounting system

The salient features of computerized accounting are as follows:

- 1. Simplicity:** Computerized accounting system is an easy way for the processing of accounting information. In computerized accounting the job of an accountant is only to enter accounting transactions through appropriate vouchers. All other functions will do by the computer itself. Hence it is very simple in operation.
- 2. Comprehensive nature:** Most of the accounting packages are complete and comprehensive. They can handle various types of vouchers, day books, different registers, final accounts etc.
- 3. Accuracy:** The reports generated from computerized accounting are free from mistakes. This is because the computers can carry out even complex calculations at high rate of accuracy.
- 4. Speed:** Quick access and retrieval of data are possible in computerized accounting system.
- 5. Flexibility in generating accounting groups:** Automatic generation of accounting groups and sub groups are possible in computerized accounting. There are also provisions to alter the accounting groups in accordance with the choice of the concern.
- 6. Data Access:** By using accounting software, it becomes easier for different individuals to access accounting data outside of the office through online.
- 7. Voucher and cheque printing:** CAS helps in printing cheques, debit note, credit note, invoices etc.
- 8. Preparation of bank reconciliation statement:** Preparation of bank reconciliation statement is possible in CAS. Hence an organization can reconcile its book with bank balance.
- 9. Integrated accounts for finance and inventory:** Some accounting softwares in CAS are integrated with inventory management.

Advantages of computerized accounting system

The following are the advantages of computerized accounting system:

1. Instant and automatic processing of transactions

In computerized accounting the role of an accountant is only to enter accounting transactions with the help of appropriate vouchers. The CAS at the same time automatically updates and prepares books of accounts and reports.

2. No difficulty in alterations

Alterations and additions in transactions can be effected easily computerized accounting. This helps to provide changed results instantly.

3. Storage and retrieval of data is very easy

Under computerized accounting, a large volume of data can be stored in a very small space; further quick retrieval of data from the system is easily possible.

4. **Accuracy:** The reports generated from computerized accounting are free from mistakes. This is because the computers can carry out even complex calculations at high rate of accuracy.

5. **Voucher and cheque printing:** CAS helps in printing cheques, debit note, credit note, invoices etc.

6. **Preparation of bank reconciliation statement:** Preparation of bank reconciliation statement is possible in CAS. Hence an organization can reconcile its book with bank balance.

7. **Automatic carrying forward of balances:** While entering transactions, net closing balance of the ledger is obtained automatically. Hence, there is no need to carry forward previous year's closing balance as next year's opening balance.

Disadvantages of computerized accounting system

Computerized accounting system faces the following limitations:

1. Costly

To use accounting software, we want to buy the accounting software. It is costly.

2. Lack of reliability

Computer viruses and hackers may destroy all data stored in the computer system. So we can't depend fully on computer.

3. Human Error

Entering data into accounting software too quickly may result in serious errors.

4. Lack of knowledge

Lack of experienced staff is the limitations of computerized accounting. We want to give proper training to our staff. It is costlier.

Difference between Manual Accounting and Computerised accounting

Manual accounting	Computerised Accounting
1. Whole accounting work	1. Most of works are done with the Are done manually help of computer
2. Alteration and addition are not Easy	2. Alteration and addition are Easy
3. Time Consuming	3. Speedy
4. Periodic availability of results	4. periodic result are ascertained at any point of time is very difficult.
5. Coding is not necessary	5. Most of the Accounting software are using codes
6. Transactions are recorded in books of original entries (Journal)	6. Transactions are stored in well defined database.
7. Original entries are further posted to ledger accounts	7. No duplication. Different reports from the same data.
8. Transactions are summarized in the form of Trial balance	8. Transactions stored in database are processed to find the balances of ledger accounts and Trial balance is prepared.
9. Adjusting entries and rectification entries are made.	9. Journal vouchers are prepared for adjusting entries and rectification entries.
10. Financial statements are prepared from Trial balance.	10. Financial statements are prepared by direct processing data without Trial balance.
11. Closing entries are made at the end of the accounting period.	11. Year end processing to create and store opening balance in database.

Introduction Tally 9.0

Tally Solutions has released a new version of its Tally 9 software. It is most popular software for accounts and inventory management. It offers different feature for maintaining accounts. Tally 9 is integrated with a lot of advanced feature like better data migrating, fast data speed, payroll management, TDS, TCS, job costing and point- of sale invoicing etc.

Tally 9, a synchronized multilingual integrated business accounting software, enables to maintain accounts in any Indian language, view it in other and print it in yet other language of their choice. Targeted at SMBs, Tally 9 offers greater reliability, scalability, accuracy and speed. It supports Unicode data which helps companies maintain data in any of the Unicode supported languages.

Tally 9 program also has features including tax compliance features for value added tax (VAT), service tax and excise for traders.

Features of Tally.ERP 9.0

- **Simplicity:** Tally.ERP9 accounting software is easy to set up, simple to use and is designed to simplify the complex day to day activities associated in an enterprise. It allows easy Keyboard operations and requires basic knowledge of Accounts and English to use it.
- **Auditors' Edition:** A special Auditors' Edition is offered by Tally.ERP9, which provides auditing and compliance capabilities exclusively for Chartered Accountants.
- **Remote Access:** Tally.ERP9 provides its users with remote capabilities to access the data from any location whatsoever at any point in time.
- **Scalability:** Tally.ERP9 suits any style of business needs and eliminates the necessity for a business to change its style of operation, in order to adapt to the nature of the application.
- **Power:** Tally.ERP9 allows users to maintain multiple companies and with unlimited levels of classification & grouping capabilities. It even allows drill-down facility from report level to the transaction level.

- **Accounting without Codes:** Tally.ERP9 allows accounting with the regular names without any account codes.
- **Real-time processing:** Real-time processing allows immediate posting and updating of books of accounts as soon as the transactions are entered, thereby facilitating instant statements and reports. It also facilitates a real-time and multi-user environment.
- **Concurrent multi-lingual capability:** Tally.ERP9 offers its users with the exclusive capability of maintaining their accounts in any Indian language, viewing them in another language and printing them in yet another Indian language.
- **Flexibility:** Tally.ERP9 comes with a flexible option to generate instant reports for any given period, either month or a year or at any given point of time besides providing the facility to switch between Accounting & Inventory reports of the same company or between companies.
- **Speed:** Tally.ERP9 provides the capability to generate instant and accurate reports, which assists the management to take timely and correct decisions for the overall productivity and growth of the organization.
- **Control Centre:** works as an interface between the user and Tally.ERP9 installed at different sites and enables the user to centrally configure and administer Site or User belonging to an account.

Advantages of Tally ERP 9

- Tally ERP 9 software is a low cost of ownership and it can be easily implemented and customized.
- Supports multiple operating systems such as Windows & Linux and can be installed on multiple systems.
- Tally software utilizes very low space for installation and the installation of Tally is an easy method.
- It is built in backup and restore, so the user can easily backup all companies data in a single directory, in a local system disk.
- Supports all types of protocols such as HTTP, HTTPS, FTP, SMTP, ODBC, etc.

- Supports multi languages including 9 Indian language. The data can be entered in one language and you can generate invoices, Po's, delivery notes, etc in other language.

VERSION OF TALLY

Tally 4.5: This version MS-DOS support financial accounting system. It takes care of accounting activities only such as Ledgers Classification Vouchers Entry. It provides simple financial reports and bill wise analysis of debtors and creditors in the business.

Tally 5.0: This version is an upgraded version to tally 4.5 and it works in windows operating system Inventory modules is introduced in this version, which involves detailed inventory, structure invoicing and integrating accounting and Inventory records.

Tally 5.4: This version is an improved module over the version 5.0 where it is capable of converting earlier data formats in to the current data format. This is possible through Import of Data Facility.

Tally 6.3: This version is extended enterprise systems whereby it interacts with other system through ODBC (Open Data Base Connectivity) you can e-mail upload your financial records from tally.

Tally 7.2: This version is an integrated enterprise system provides different kind of taxes like VAT, TDS & TCS and Service Tax modules is introduced in this version.

Tally 8.1: This version is a multi language support software. It supports 10 Languages includes is introduced in this version.

Tally 9.0: This version is an improved model over the version 8.1. it supports 13 Languages (Includes Foreign Languages). Payroll, POS (Point of Sales) modules is introduced in this version.

Tally.ERP9: This is the latest version which provides different features like remote access, much powerful data security, tally.net and many more.

Configurations in Tally ERP 9 (F12: Configuration)

The F12: Configuration in Tally.ERP 9 is applicable for all the companies that located in Tally.ERP 9 data directory. The F12:Configurations may vary from menu to menu, for example if you press F12: Configuration from voucher screen the respective screen displays on the screen.

How open Configurations in Tally ERP 9

Gateway of Tally → Press function key F12 or click on F12:Configure

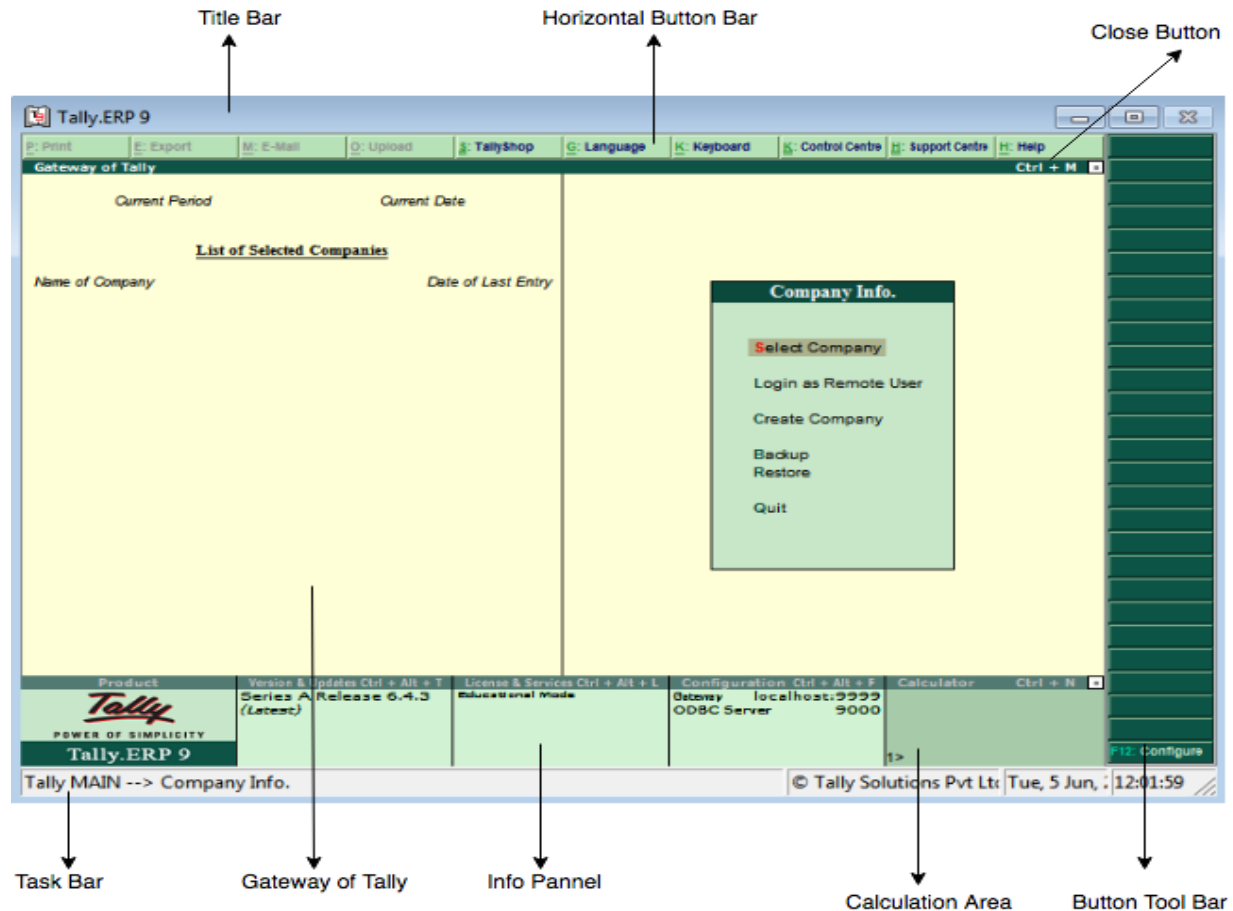
The configuration screen contains multiple settings that helps to configure the required information for master creation, voucher entry, banking, printing, etc. The important settings that available on configurations screen are

- General
- Numeric Symbols
- Accts/ Inventory info
- Voucher entry
- Invoices / Orders entry
- Payroll Configuration
- Banking Configuration
- Printing
- E-mail
- Data configuration
- Advanced configuration
- Product T & Features
- Licensing

Tally Screen Components

Tally Screen Components – After you startup the Tally ERP 9 Application, the welcome home screen of Tally ERP 9 – Power of Simplicity displays on the screen during the Tally software loading on computer system.

Tally Home Screen



The home screen of Tally ERP 9 contains the following components

- Title Bar
- Horizontal Button Bar
- Close Button
- Gateway of Tally
- Buttons Toolbar
- Calculator area
- Info Panel
- Data and Time

Complete details of Tally Screen Components

Title Bar: It displays the Tally software that you are using.

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

Close Button: By click on this button or ctrl+m, tally window closes.

Task Bar: Displays the task of Tally ERP 9.

Gateway of Tally: It displays menu, screen, and reports.

Info Panel: Information panel displays the tally version, license details and configuration details

Calculation Area: Calculation area will be used for calculation functions.

Buttons Tool Bar: It displays the buttons that enables for immediate interaction with Tally.ERP 9. It displays only the buttons that are applicable to the current task.

Date and Time: Displays current data and time.

CREATING A COMPANY

Creating a Company involves providing basic information about the company whose books of accounts are to maintained in Tally.

Go to Gateway of Tally > (Alt + F3) Company info. > Create Company

Company Creation

Directory : C:\Users\Public\Tally.ERP9\Data

Name : [REDACTED]

Books and Financial Year Details

Financial year begins from: 1-4-2018

Books beginning from : 1-4-2018

Primary Mailing Details

Mailing name :
Address :
Country : India
State : Not Applicable
Pincode :
Phone no. :
Mobile no. :
Fax no. :
E-mail :
Website :

Security Control

TallyVault password (if any):
Repeat password :
(Warning: Forgetting TallyVault password will render your data inaccessible.)
Use security control ? No
(Enable security to avail TSS features)

Contact Details

Base Currency Information

Base currency symbol : ₹
Formal name : INR
Suffix symbol to amount ? No
Add space between amount and symbol? Yes
Show amount in millions ? No

Number of decimal places : 2
Word representing amount after decimal: paise
No. of decimal places for amount in words: 2

Q: Quit

Tally MAIN --> Company Info. --> Company Creation © Tally Solutions Pvt Ltd., Wed, 6 Jun, 2018 15:33:46

A detailed explanation on each field is given:

Directory

The data path where you want the company to be created is specified in the Directory field.

This field is skipped by default when you create the company in the data path given in the **Tally.INI** file. If you want to change it, use the backspace key and modify it to the path require. This is referred to as the Tally Anywhere concept – which is the ability to create/load companies in separate directories. The Directory field is displayed while selecting Select, Create, Backup, Restore and Rewrite options for a company. By default, the cursor will skip the field, presuming that you wish to use the default data directory for your work. You may press Backspace to give a new path and work from there.

For example, the default Tally data directory could be C:/TALLY/DATA.

Name

Enter the name of the company whose books are being opened. If you are a professional accountant and are maintaining the books of your clients, give the Client Company's name.

Mailing Name and Address

In addition to the Company Name, Tally provides the facility to enter the Mailing Name field. It displays the Company Name by default. You may change it as required, if the mailing name is different from the Company Name, the mailing name and address details are picked up for inclusion in any report that needs the company name and address as heading. For example: Balance Sheets, Statement of Accounts, and so on.

Statutory compliance for

Select the Country from the List of Countries. The Statutory Features and Base Currency Symbol are enabled in accordance with the country selected. For example, if the accounts belong to a company in India, the base currency would be Indian Rupees. The Base Currency will appear with respect to the Country selected. Selecting India from the List of Countries brings up a State, pin code and Telephone No. field.

State

You can select the appropriate state from the predefined list.

PIN Code

Specify the PIN Code (Postal Index Number) of the specified address.

Telephone

Enter the Telephone number.

E-mail Address

Enter the E-mail address that will be used to e-mail documents, reports and data from Tally.

Currency

Currency symbol is the symbol of the base currency, that is, the currency that will be used to maintain the books of account. The symbol Rs. appears by default for India/SAARC Companies and the field is left blank for International Companies.

Maintain

Tally displays a drop down for the Type of Company with two options **Accounts only** and **Accounts with Inventory**.

Select **Accounts only** if you do not have any inventory transactions (suitable for professionals and corporate offices).

However, at a later date (if required) you can choose to alter the information as Accounts-with-Inventory. Select **Accounts- with – Inventory**, to maintain both financial accounts and inventory.

Financial Year From

In most countries, the books of accounts of a company are maintained for a stipulated period like, 12 months, 15 months, and so on. This stipulated period is referred to as the Financial Year.

The stipulated period of the financial year is 12 months in most countries. Tally automatically considers 12 months from the date you give here as the Financial Year. For example, if you enter April 1, 2015 as the date, the Financial Year will be from April to March ending with March 31, 2016. If you enter October 1, 2015 as the Financial Year From then the financial year will be from October 2015 to September 2016 ending with 30th of September every year.

Books Beginning From

Tally presumes that you wish to maintain books from the beginning of the financial year. Hence, Tally displays the date given in Financial Year From field automatically. The date for Books beginning from can be changed, in case of companies, which are incorporated in the middle of the year.

For example, if your company is established on August 19, 2015, the opening balances for all the accounts can be given as on August 19, 2015 even though the Financial Year given is April 1, 2015 (April to March Financial year). The company's books will begin on August 19, 2015 and close on March 31, 2016, which ensures smooth transition to the next year.

Tally Vault Password

Tally Vault is an enhanced security system, which allows for encryption of the company data. Encryption involves converting normally accessible Tally information into unrecognizable information, which can only be reconverted by authorized persons.

Give a password here and repeat the same in the Repeat field. This basically results in the creation of an encrypted company whose information is not accessible to users other than the password holder.

Use Security control?

Set this to Yes, if you want to initiate a password-protected system to control access to Tally data. Else, set this to No.

If you opt for security control, tally offers a comprehensive password based access control to different features to Tally based on authority list created by the Administrator. (The section on Security Control under Administer Tally contains details on authority lists)

Name of Administrator, Password, Repeat

Assuming the Tally Vault Password and Use Security Control is set to Yes enter the Name of Administrator, Password and Repeat in the respective fields.

Use Tally Audit Features

Tally Audit allows the administrator or an auditor profile user to track changes in accounting information. If you wish to use this facility, select Yes. Tally Audit will be available only to the administrator/auditor, through Display of Statements of Accounts.

On accepting the company creation screen, if you have specified Tally Vault password, Tally prompts you to enter the Tally Vault password as appears:

Then Tally prompts you to enter the Name of User and Password (if any). After verification Tally imports the latest statutory masters. Wait till the screen shows that 100% of import is complete.

This completes the Company Creation process in Tally

An explanation on the field on the bottom of the Company creation screen follows.

Base Currency Information

The Base Currency Information is found in the bottom frame of the Company creation Screen. Base Currency is the currency in which your accounts would be maintained.

Financial statements are prepared in the base currency by default and these are normally required to be submitted to local statutory authorities. The Base Currency information in Tally varies with the country selected for Statutory Compliance.

Base Currency Symbol

The currency symbol given earlier in the Company Creation screen is displayed here automatically.

Tally uses this currency symbol in reports, wherever necessary.

Formal Name

Formal Name is the full name of the currency specified. The Formal Name for the base currency is set to Indian Rupees for Indian Companies.

Number of decimal places

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

Show Amounts in Millions

This is useful for companies, which require reporting the financial statements in millions. This is possible only if Allow Multi- Currency is enabled in F11: Features.

Is System Suffixed to Amounts

For countries, which specify the symbol after the amount (value) – this facility is provided. For example, Yen is specified after the amount (5000 Yen) unlike in India where the symbol is specified before the amount (Rs.5000).

Put a space between Amounts and Symbol

This facility is provided to users who require a space between the amount and the symbol. However, putting a space between the amount and symbol could give an opportunity for misuse incase of cheque printing. Hence, the flexibility to turn option on and off as required is provided.

Symbol for Decimal Portion

Enter the symbol for decimal portion.

Decimal Places for Printing Amounts in Words

You can specify the number of decimal places for printing the amount in words. This number should be equal to or lesser than the number specified in Number of Decimal places field

in company creation or currency master screen which will appear in Invoice and Cheque printing screen

LOADING A COMPANY

A newly created company loads automatically. However, for subsequent working, you must load or select the company you want to work with from the List of Companies. A company can be loaded in two ways:

1. Automatically by Tally.
2. Using the Select Company option

You can use the Select Company option in two ways, from the Company Info. Menu OR by using the button F1: Select Cmp (available on the Gateway of Tally screen).

Select Company

Press Enter on Select Company or use the button F1: Select Cmp. Tally displays

1. Company Name (All the companies created are displayed)
2. System – generated code for each company displayed
3. The Financial Year information relating to the number of years data present in the company.

SHUT A COMPANY

Shut a Company is to unload it. It does not mean that you have deleted it. Simply select it again to load and work on it again. You can shut a company in two ways- either using the button F1: Shut Cmp (Alt + F1) or pressing Enter on Shut Company menu option on the Company Info. Menu

ALTER A COMPANY

You can modify any information at any time that is set while creating a company.

1. Go to Gateway of Tally
2. Select F3: Cmp Info. (ALT+F3) from the button bar
3. Select Alter and press Enter and the screen appears as shown below:

Make the necessary changes in the required fields. To change the password if Use

Security Control is set to Yes:

4. Enter the Name of Administrator.
5. Enter the new password.
6. Re-enter the password in the Repeat field to confirm.
7. Enter the Old Password and Accept the screen to alter the company

DELETE A COMPANY

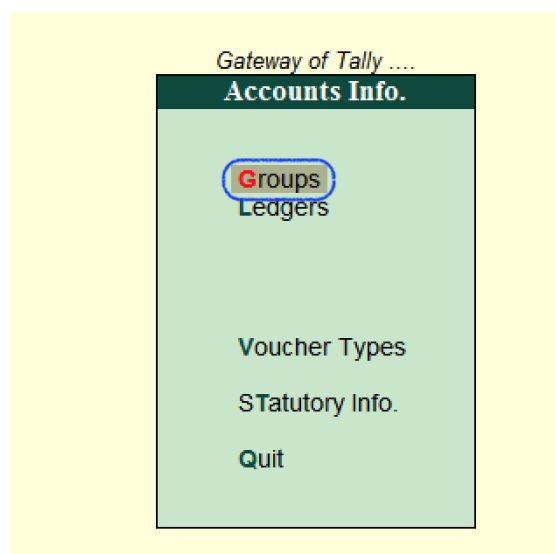
To delete a company, you have to load the company first.

1. Select F3: Cmp Info. (ALT+F3) from the Gateway of Tally to proceed to the Company Information menu.
2. Select Alter and press Enter.
3. Select the company to be deleted. The Company Alteration screen is displayed.
4. Use Alt + D to delete. Tally will prompt for a confirmation on deleting the company.
5. Press enter to delete the company.

Managing Groups Ledgers and Vouchers

Accounts Info menu lists the masters through which you can provide Tally the details of your company's accounts. You can also manage Groups, Ledger and Vouchers from this menu.

Go to Gateway of Tally > Accounts Info.

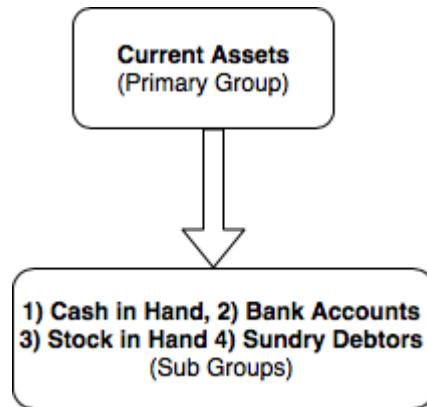


What are groups in Tally

Group is a collection of ledgers of the same natures. Tally software automatically creates 28 groups which are used in the chart of account. Out of 28 predefined groups in tally, 15 groups are primary groups and 13 groups are Sub-groups. The different types of groups are

1. Primary Groups
2. Sub Groups

Example of Group



Primary Groups: Primary Group in Tally is main group, Groups are structured as hierarchical organization. At the top of hierarchy are primary groups. Among 15 primary groups, 9 groups are balance sheets items and 6 groups are profit and loss a/c items.

List of Primary Groups in Tally

1. Branch/ Divisions	6. Indirect Income	11. Current Assets
2. Capital Accounts	7. Suspense Account	12. Direct Incomes
3. Sales Accounts	8. Current Liabilities	13. Fixed Assets
4. Loans (Liabilities)	9. Misc. Expenses (Asset_	14. Direct Expenses
5. Indirect Expenses	10. Purchase Accounts	15. Investments

Sub Groups: Sub groups are part of primary group, sub groups can be divided into 13 groups.

List of Sub groups in Tally

1. Sundry Creditors	6. Duties & Taxes	11. Bank Accounts
2. Secured Loans	7. Deposits (Assets)	12. Reserves & Surplus
3. Stock in Hand	8. Bank OD Accounts	13. Loan & Advances (Assets)
4. Provisions	9. Unsecured Loans	
5. Cash in Hand	10. Sundry Debtors	

INTRODUCTION TO GROUPS

Tally follows the modern way of managing accounts called ‘Single Ledger’ concept of accounting. This is in direct contrast to subsidiary Ledger Accounting. All financial entries are made using ledgers or account heads. Ledger accounts are created to identify transactions.

The single ledger concept avoids the need for sub-ledgers and corresponding control accounts in General Ledger. Tally allows you to group ledger information to generate meaningful reports that are compliant with laws. Groups in Tally classify and identify account heads according to their nature.

Creating a Group

You can create multiple or single group from create option. In multiple group creation, the sub-groups will automatically inherit the characteristics of their parent groups.

Go to Gateway of Tally > Accounts Info.> Groups > Create (under Single Group) The Group Creation screen displays

Name of Group

Enter the name of the Group to be created. For example, Administrative Expenses

Alias

Enter an alias name to allow access to the group using the Alias in addition to its name of leave it blank. For example, for Administrative expenses, you can enter Office Expense or even an alphanumeric code, say E001, as an alias.

Under

Specify under which existing (Parent) group the sub-classification is required. If it is a new primary group, select Primary (requirement of a new primary group is very rare, but the option exists). You can also create a new Parent Group by using Alt+C.

Additional Information

If a group (e.g. Printing) is created under Primary, you must select the appropriate option from the list whether it is an asset, liability, income or expenses. If you select an income or expenses you should specify whether it will affect the gross profits or not by suitably setting the option Does it affect Gross Profits? to Yes/No

Group behaves like sub-ledger?

This option is applicable to Sundry Debtors group, you can set this to Yes to display Sundry Debtors without Ledger break-up in statements. Normally, Sundry Debtors will have a large number of ledger accounts under it and it can be expanded during display to show ledger balances. To disable this detailed display set this option to No.

Displaying and Altering Group

You can display and alter the Group in Single mode or Multiple mode.

Displaying a Single Group

Go to Gateway of Tally > Accounts Info. > Group > Display (under Single Group)

Select the name of the Group from the List of Items. You cannot make any changes in Display mode.

Altering a Single Group

Go to Gateway of Tally > Accounts Info. > Group > Alter (under Single Group)

Select the Group that you wish to alter from the List of Groups. Make the necessary changes and click Yes to save the changes.

Displaying Multiple Groups

Go to Gateway of Tally > Accounts Info. > Group > Display (under Multiple Group)

Select the Group from the List of Groups to display all the Groups under the selected Group or select All Items to display all Groups. The Multi Group Display screen lists Groups and the corresponding details of the Groups.

Altering Multiple Group

Go to Gateway of Tally > Accounts Info. > Group > Alter (under Multiple Group)

Select the Group for which you want to alter from the List of Groups. In Multi Group Alteration screen, make the necessary changes and click Yes to save changes.

Deleting a Group

Gateway of Tally > Accounts Info > Groups > Single/Alter

The Delete function is performed through the single alteration mode. You cannot delete groups from the Multiple Alteration mode.

1. Select the group to be deleted.

2. Press Alt+D to delete.

Introduction to Ledgers

A Ledger is the actual account head to which you identify a transaction. In Tally, you pass all accounting vouchers using Ledgers. However, all Ledgers have to be classified into Groups. Hence a thorough understanding of account classifications is important for working with Ledgers.

Go to Gateway of Tally > Accounts Info. > Ledgers

Creating a Ledger

Ledgers can be created in single and multiple modes. In multiple mode you can create multiple ledgers at a time.

Creating a Single Ledger

The creation of Ledger depends on the features you opt for in the F11: Configure screen before creating any Ledgers. You may configure or set your Ledgers to enable or disable advanced mode.

Tally automatically creates two Ledger accounts namely, Cash (Under Cash-in- Hand) and Profit and Loss Account (direct Primary Account). You need to create all other accounts heads. There are no restrictions in Ledger creation except that you cannot create another Profit & Loss A/C. Any number of Cash Accounts may be created in any other name like Petty Cash.

Creating a Ledger Accounts with minimal information:

Go to Gateway of Tally > Accounts Info. > Ledgers > Create (under Single Ledger)

Name

Enter the Name of the account. You can provide the full name of the account. Tally fits it all in. Press Enter to move to the next field. Tally does not allow entry of duplicate names. the uniqueness check is made here itself.

Alias

Enter an alias name if required. You can access the Ledgers using the original name or the alias name.

Under

All accounts must be classified under their appropriate Groups. Select the Group under which the Ledger is created from the List of Groups. To create a new Group from this field press [ALT+C]

A Group is not important by itself, but because it controls the usage of Ledger accounts. A wrong classification would affect the treatment of the Ledger account in final statements and during voucher entry. You can, alter a Ledger account to change its group classification at any time.

Opening Balance

If yours is an existing company whose books you are entering onto Tally, Opening Balance would be applicable in circumstances such as when the Ledger is an asset or a liability and if it has a balance in the account as on the date of beginning of books in Tally.

Tally recognizes normal accounting principles of debit balances for Assets and credit balances for Liabilities. It accepts the reverse for obverse balances. Revenue accounts normally do not have balances. Tally, however, permits you to give balances even for such accounts – You may be transferring your books on to Tally in the middle of the year and may not have closed them in your earlier system. Hence, you may specify whether the balance is Debit or Credit. Simply D or C also would suffice.

Creating Multiple Ledgers

You can create multiple Ledgers at a time in this mode. You can first create a Ledger under each group in single Ledger mode and then the rest of the Ledgers in multiple mode. Tally will set the settings of the Ledger created as default for other Ledger to be created in multiple mode.

Go to Gateway of Tally > Accounts Info. > Ledgers > Create (under Multiple Ledger)

The Multiple Ledger Creation screen is displayed. A brief description on each of the fields in the Multiple Ledger Creation screen follows:

Under Group

Select the name of the group under which you want to create the Ledgers from the List of Groups. Below this field, the other fields are arranged in a table. The cursor rests at the field Name of Ledger.

The other fields in the column are:

S. No

This is auto generated.

Name of Ledger

Enter the name of the Ledger

Under

This field defaults to the parent group selected in Under Group. The selected group in Under Group gets displayed here automatically and the cursor skips this column.

However, if you select All Items in Under Group field, the cursor does not skip this column and you have the option to select the group. You can even create a new group from this field by pressing Alt+C.

Opening Balance

This is the balance remaining when you first enter your books on Tally, i.e., the date of beginning of books. If you have opted to maintain balances bill-by-bill, you must give the bill details.

Dr

Specify whether the Opening Balance is Debit or Credit. Tally follows the normal accounting principles of accounting.

DISPLAYING AND ALTERING LEDGERS

Displaying and Altering Ledgers can be done in Single mode and Multiple mode. The Multiple mode allows you to display and alter multiple Ledgers at a time.

Displaying and Altering a Single Ledger

You can view the details of the Ledger Masters in Display mode. Display does not permit any modification. However you can make changed to Ledger Masters in Alter mode.

Displaying a Single Ledger

Go to Gateway of Tally> Accounts Info.> Ledgers> Display (under Single Ledger.)

Select the Ledger from the List of Ledgers. The Ledger Display screen is displayed. You will be able to view the details of the selected Ledger Master.

Altering a Single Ledger

Select the Ledger from the List of Ledgers. The Ledgers Alteration screen is displayed.

You are allowed to alter any information. Make the necessary changes and Accept Yes to save.

DELETING SINGLE LEDGER

You can delete a Ledger account from the Ledger Alteration screen by pressing ATL+D. Tally does not allow deletion of accounts that have transactions. Therefore, should you wish to delete an account, which has transactions, you must first delete all its voucher entries.

DISPLAYING AND ALTERING MULTIPLE LEDGERS

DISPLAYING MULTIPLE LEDGERS

Go to Gateway of Tally> Accounts Info.> Ledgers> Display (under Multiple Ledger).

Select All Items from the List of Groups to view the details of all the Ledgers in Tally. If you want to view the details of all the Ledgers created under a Group select the Group from the List of Groups. The Multiple Ledger Display screen is displayed.

Altering Ledgers in Multiple Mode

Go to Gateway of Tally> Accounts Info.> Ledgers> Alter (under Multiple Ledger.)

Select any Group or All Items from the List of Groups. The Multi Ledger Alteration screen is displayed. Make the necessary changes and Accept Yes to save.

Voucher Entry

A Voucher is a document that contains details of a financial transaction. For every transaction, you can use appropriate Tally Voucher to enter the details into the ledgers and update the financial position of the company.

Mainly there are two types of Voucher Entry:

- Accounting Vouchers
- Inventory Vouchers

You can set the configuration for entry to allow only those features, which you require while entering vouchers.

In the Voucher entry configuration, Selectively set only those features to Yes. (This is further explained under advanced usage).

Go to Gateway of Tally> F12: Configure> Voucher Entry

TYPES OF VOUCHERS

Tally is preprogrammed with a variety of accounting vouchers, each designed to perform a different job. The standard vouchers are:

1. Payment Voucher
2. Receipt Voucher
3. Contra Voucher
4. Sales Voucher
 - Sales Orders
 - Sales Vouchers/Invoices
 - Delivery Notes
 - Rejection In
5. Purchase Voucher
 - Purchase Orders
 - Purchase Voucher
 - Goods Receipt Notes
 - Rejection Out
6. Journal Voucher
 - Credit Notes
 - Debit Note
 - Journal
 - Memo Voucher
 - Reversing Journal
 - Stock Journal
 - Physical Stock

CONTRA ENTRY (F4)

According to accounting rules, Contra Entry is a transaction indicating transfer of funds from:

- Cash account to Bank account
- Bank account to Cash account

- Bank account to Bank account

To view the Contra Voucher Entry Screen:

1. Go to Gateway of Tally > Accounting Vouchers
2. Select F4: Contra from the button bar or press F4

Accounting Voucher Creation		ABC Company	Ctrl + M
Contra No. 1		1-Apr-2006 Saturday	
Particulars	Debit	Credit	
To Cash		20,000.00	
By State Bank of India	20,000.00		
Narration:		20,000.00	20,000.00
Transfer of Funds From Cash Account to Bank Account			
		<div>Accept ?</div> <div>Yes or No</div>	

PAYMENT ENTRY (F5)

To view the Payment Voucher entry screen:

1. Go to Gateway of Tally > Accounting Vouchers
2. Select F5: Payment from the Button Bar or press F5

For example, the company settles expenses of conveyance, staff welfare, postage and stationery through cash all in one voucher. The entry appears as shown below.

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment No. 1		1-Apr-2006 Saturday	
Particulars	Debit	Credit	
By Conveyance Cur Bal: 800.00 Dr	800.00		
By Staff Welfare Cur Bal: 1,000.00 Dr	1,000.00		
By Postage Cur Bal: 800.00 Dr	800.00		
By Stationery Cur Bal: 400.00 Dr	400.00		
To Cash Cur Bal: 23,000.00 Cr		3,000.00	
Narration: Payment of Conveyance, Staff Welfare, Postage and stationery		3,000.00	3,000.00
		<div>Accept ?</div> <div>Yes or No</div>	

RECEIPT ENTRY (F6)

Transactions accounting for money received are entered into Tally through the receipt voucher.

To view the Receipt Entry screen:

1. Go to Gateway of Tally > Accounting Vouchers
2. Select F6: Receipt from the button bar or press F6

Similar to Payment and Contra Vouchers, the Single Entry Mode appears for Receipt Entry as well.

For example, if your company receives money from a customer for an earlier transaction:

- Credit the customer account and debit the Cash account, if you receive cash or cheque.
- Debit the Bank account where you need to deposit the money, if you receive cash or cheque.

The entry in double-entry mode is displayed as shown below:

Accounting Voucher Creation		ABC Company	Ctrl + M
Receipt No. 1		1-Apr-2006 Saturday	
Particulars	Debit	Credit	
Cr Interest Cur Bal: 2,500.00 Cr		2,500.00	
Dr State Bank of India Cur Bal: 2,500.00 Dr	2,500.00		
Narration: Bank Interest creation		2,500.00	2,500.00
		<div>Accept ?</div> <div>Yes or No</div>	

JOURNAL ENTRY (F7)

Journal entries are used to adjust the debit and credit amounts without involving the cash or bank accounts. Hence, they are referred to as adjustment entries. To go to the Journal Entry Screen:

1. Go to Gateway of Tally > Accounting Vouchers
2. Click on F7: Journal on the Button Bar or press F7 key

For example, there may be entries made for interest accrued or interest to be paid. If a party is involved in such a transaction the entry will be:

1. Debit the Party
2. Credit the Interest Account

The entry appears as shown below:

Accounting Voucher Creation		ABC Company	Ctrl + M
Journal No. 1		1-Apr-2006 Saturday	
Particulars	Debit	Credit	
Dr Party Cur Bal : 2,700.00 Dr	2,700.00		
Cr Interest Account Cur Bal : 2,700.00 Cr		2,700.00	
Narration:		2,700.00	2,700.00
		Accept ? Yes or No	

SALES ENTRY (F8)

Sales vouchers are used when the company sells some goods to customers. To view the Sales Voucher Creation Screen:

- Go to Gateway of Tally > Accounting Vouchers > Select F8: Sales.
- For example, the company sells some software on credit. In this case, the company has to account for Sales Tax separately, if tax has been collected on the transaction.

The screen appears as shown below:

Accounting Voucher Creation		ABC Company	Ctrl + M
Sales No. 1		1-Apr-2006 Saturday	
Ref.: 001			
Particulars	Debit	Credit	
Dr Kings and Sons Cur Bal : 5,400.00 Dr	5,400.00		
Cr Software Sales Cur Bal : 5,400.00 Cr Primary Cost Category Bangalore 5,400.00 Cr		5,400.00	
Narration: Sold Software to kings & Sons		5,400.00	5,400.00
		Accept ? Yes or No	

When a sales transaction is made, a document detailing the transaction (item name, text etc) has to be given to the buyer or debtor of purchase by him. This document is called “Invoice” or “Bill” or “Cash Memo”. Tally provides the options creating Invoices.

5.1.7 Purchase Voucher (F9)

A company buys computer parts on credit.

- Use a Purchase Voucher to record this entry.
- Go to the **Gateway of Tally > Accounting Vouchers > F9: Purchase**.

The entry made appears as shown below:

Accounting Voucher Creation		Indus Enterprises		Ctrl + M
Purchase No. 1				1-Apr-2009
Supplier Invoice No. :		Date :		Wednesday
Particulars	Debit	Credit		
Cr Beltron Ltd		3,000.00		
<i>Cur Bal: 3,000.00 Cr</i>				
Dr Local Purchases	3,000.00			
<i>Cur Bal: 3,000.00 Dr</i>				
Narration:		3,000.00	3,000.00	

Accept ?
Yes or No

Displaying and Altering a Voucher Type

Observe the menu, you will notice that you can also display and alter voucher types. Selecting these options brings up a **List of Voucher Types**, from which you can select the one you want to view or work on. Apart from the heading, the **Voucher Type Display/Alter** screens are identical to the **Creation** screen.

How to edit, delete a voucher in tally

Tally permits to edit and delete vouchers entered. It depends upon the privilege assigned to individual users. This means that not all users can edit / delete the vouchers, only authorized users or administrators can do this, if you assigned privileges. We will be providing a detailed tutorial on how to set privileges later. To edit and delete a voucher in tally there are two methods,

Edit voucher from voucher entry screen itself.

We are permitted to edit any previously saved vouchers from the voucher screen itself.
To do this you must know the date of the voucher entry.

To do this

- Go to : Gateway of Tally>>Accounting vouchers
 - Now we are in a voucher screen, the voucher type displayed might be last used voucher; here in our example Payment voucher. Notice the date of the voucher, and change the date 31.05.2012 as the voucher was entered on that date.
- voucher-entry-screen
- Now press PgUp Key from the keyboard. For the first time there is confirmation asked to quit the current screen
- Confirmation Press Y or Enter Key

The saved voucher will be displayed, press PgUp again until the desired voucher will display in front, then make necessary changes and save the screen.

Method2

- Go to daybook Gateway of tally>>Display>>Daybook
- Now highlight the voucher to be modified , to highlight use up and down arrow key
- Daybook - Press enter to have the voucher modification screen- voucher-after-modification
- Make desired changes and accept the screen.

In second method you can go Ledger (Gateway of tally>>Display>>Account book>>Ledger) instead of day book and do the same thing

How to delete a voucher in tally

Voucher deletion has also two methods as described in editing, the steps to be followed for editing and deleting are almost same.

First Method

Delete when you are in voucher entry screen

We are deleting the same voucher we edited in the above example

- Go to Gateway of tally>>Accounting voucher
- Now press Alt + D
- Delete-Press Y or Enter Key to confirm deletion

Method 2

Delete the voucher from day book, Go to

- Gateway of tally>>Display>>Daybook
- Make sure that the date selected is the date of desired voucher date
- Now highlight the voucher to be deleted
- Daybook- Now Press Alt+D from key board, a confirmation will be asked,
- delete-from-daybook
- Press Y or Enter Key from key board

Also you can delete, by moving inside the voucher entry screen by pressing enter after highlighting.

Unit -4

Introduction to Inventories

The Inventory Info menu lists the masters, through which you can provide Tally the details of your company's inventory.

Go to Gateway of Tally > Inventory Info.

Note: The Inventory Info menu is displayed in Gateway of Tally, only select Maintain Accounts with Inventory from the Type of Company list in the Company Creation screen.

STOCK GROUPS

Stock Groups in Inventory are similar to Groups in Accounting Masters. They are helpful in the classification of Stock Items. A classification is based on some common behavior. Stock Group enables easy identification and reporting of Stock Items in statements.

You can group Stock Items under different Stock Group to reflect their classification based on some common functionality. Grouping enables you to locate Stock Items easily and report their details in statements.

You can group the items of a particular brand to extract stock of all items of that brand.

Consider that the Stock Items in your inventory are Sony 3.5" disks, Maxell 3.5" disks, Sony tapes, Maxell tapes, and so on. Create Stock Groups, Sony and Maxell, and classify Sony products under the group Sony and Maxell products under Maxell. You now have ready details of all Sony and Maxell products, duly classified.

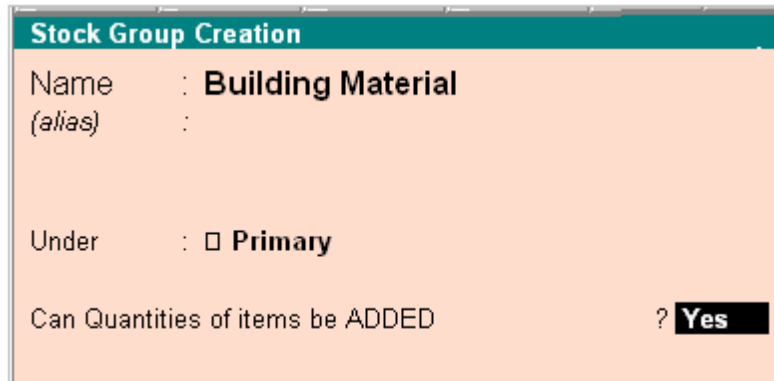
Create sub-groups under Stock Groups for deeper analysis.

Go to Gateway of Tally> Inventory Info.> Stock Groups

CREATING A STOCK GROUP

Go to Gateway of Tally> Inventory Info.> Stock Groups > Create (under Single Stock Group)

The Stock Group Creation screen displays.



Stock Group Creation

Name : **Building Material**
(alias) :

Under : ☐ **Primary**

Can Quantities of items be ADDED ? **Yes**

A brief description on each of the fields in the Stock Group Creation screen follows.

Name

Enter the name of the Stock Group to be created. For example, Building Materials.

Under

Specify whether it is a primary group or a sub-group of another group, by selecting from the list. For example, Primary.

Press Alt + C to create a parent group, if you do not have it in the list.

CAN QUANTITIES OF ITEMS BE ADDED?

This field pertains to information on measuring the units of the Stock Items that you would categorize under the Stock Group.

The Stock Items categorized under the group should have similar units for them to be added up. You cannot add quantities in Kgs to quantities in Pcs.

CREATING MULTIPLE STOCK GROUPS

Go to Gateway of Tally> Inventory Info.> Stock Groups > Create (under Multiple Stock Groups)

Multi Stock Group Creation		ABC Company		Ctrl + M
Under Group : <input type="checkbox"/> All Items				
S.No.	Name of Stock Group	Under	Items are Addable (Y/N)	
1.	Finished Material	<input type="checkbox"/> Primary	Yes	
2.	Raw Material	<input type="checkbox"/> Primary	Yes	
3.	Aluminium Foll	<input type="checkbox"/> Primary	Yes	
4.				

Select the parent groups under which you want you want the new groups to be created from the List of Groups. The group selected is displayed in the Under Group field.

A brief description on each of the fields in the Multi Stock Group Creation screen follows.

Name of Stock Group

Enter the name of the Stock Group.

Under

If you select any group other than All Items in the Under Group field, then this column is filled in automatically with the selected Group name and the cursor skips this column.

This speeds up data entry.

If you select All Items in the Under Group field, the cursor does not skip this field and allows you to enter the parent group of each of them.

Items are Addable? (Y/N)

This pertains to information on the Stock Items that you would create under this Stock Group. The Stock Items created under the group should have similar units to be 'addable'.

DISPLAYING AND ALTERING STOCK GROUPS

You can display and alter Stock Group in Single mode and Multiple mode.

Displaying Single Stock Group

Go to Gateway of Tally> Inventory Info.> Stock Groups > Display (under Single Stock Group)

Select the Stock Group whose particulars you want to display from the List of Groups. The Stock Group Display screen is displayed. This gives information only on the Stock Group Master and not on any of the balances.

Altering Single Stock Group

Go to Gateway of Tally> Inventory Info.> Stock Groups > Alter (under Single Stock Group)

Select the Stock Group from the List of Groups. The Stock Group Alteration screen displays. Make the necessary changes and accept Yes to save.

You can delete a Stock Group only from the Stock Group Alteration screen. Select a stock group from the list and press ALT+D to delete it.

Note: You cannot delete a Stock Group if it has any sub groups or Stock Items created under it. You need to first delete the sub groups and Stock Items to delete the Stock Group.

Displaying Multiple Stock Groups

Go to Gateway of Tally> Inventory Info.> Stock Groups > Display (under Multiple Stock Group)

Select the Stock Group from the List of Groups. The Multi Stock Group Display screen displays. It displays the entire sub groups of the selected Group. If you select All Items from the List of Groups, all the groups and sub Group created are displayed.

Altering Multiple Stock Groups

Go to Gateway of Tally> Inventory Info.> Stock Groups > Alter (under Multiple Stock Group)

The Multi Stock Group Alteration screen displays. Make the necessary changes and accept Yes to save.

Note: You cannot delete a Stock Group from multiple mode

Stock Categories

The concept of Stock Categories is similar to that of Cost Categories. Refer the section on Cost Categories to understand the similarity/differences.

Note: This option becomes available in the Inventory Info. Menu only if you Set Maintain Stock Categories to Yes in F11: Features.

Stock Categories offers a parallel classification of Stock Items. You can create Stock Categories like Floppy Disks and Floppy Drivers.

Consider the example given in the Stock Groups. You would know how many 3.5 “floppies of Sony and Maxell are in stock. To know the total stock of floppy disks or any alternative item that could be used, Stock Categories would be the best option to use. Create a Stock Category called Floppy Disks and classify both Sony 3.5” diskettes as well as Maxell 3.5” diskettes under the same. Since the items are substitutes of each other, if one is out of stock, you can offer the other of the same category.

Stock Query option available under Statements of Inventory (Gateway of Tally > Display) reveals the strength of Stock Categories.

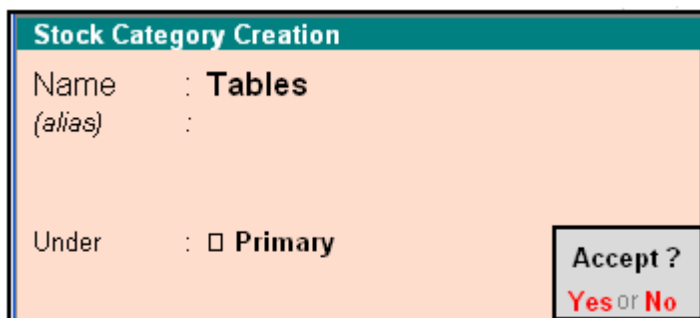
Go to Gateway of Tally> Inventory Info> Stock Categories

CREATING A STOCK CATEGORY

You can create Stock Categories and sub categories of Stock Categories to organize your information.

Go to Gateway of Tally> Inventory Info.> Stock Categories >Create (under Single Stock Categories)

The Stock Category Creation screen displays.



A brief description on each of the fields in the Stock Category Creation screen follows.

Name

Enter the name of the Stock Category. Eg: Tablets.

Under

Specify whether it is a primary category or a sub-category of another category.

Select Primary from the list, if you do not have a parent group. Use ALT+C to create a parent if you do not have the required category in the list.

DISPLAYING AND ALTERING STOCK CATEGORIES

You can display and alter Stock Categories from Single and Multiple mode.

Displaying Single Stock Category

Go to Gateway of Tally> Inventory Info.> Stock Categories> Display (under Single Stock Group)

Select the Category for which you want to view the display details from the List of categories.

The Stock Category Display screen displays for you to view the details entered in Stock Category Master.

Altering Single Stock Category

Go to Gateway of Tally> Inventory Info.> Stock Categories> Alter (under Single Stock Categories)

Select the Category for which you want to alter from the List of Categories. The Stock Category Alteration screen displays. Make the necessary changes and accept Yes to save.

Deleting a Stock Category

You can delete a Stock Category only if it does not have any sub categories or Stock Items under it. Select a Stock Category from the list and press ALT+D to delete it.

Displaying Multiple Stock Categories

Go to Gateway of Tally> Inventory Info.> Stock Categories> Display (Under Multiple Stock Categories)

Select the Category for which you want to view the details or select All Items to view the details of all the Categories created, from the List of Categories.

The Multi Stock Category screen displays. You can view the entire details of the Category and that of sub categories if any, in this screen.

Altering Multiple Stock Categories

Go to Gateway of Tally> Inventory Info.> Stock Categories> Alter (under Multiple Stock Categories)

Select the Category for which you want to alter from the List of Categories. The Multi Stock Category Alteration screen displays. You can make changes in the Masters of the selected Category and also of the sub categories. Select All Item to make changes in any desired Category Master as all the Categories created are displayed in this screen.

Note: You cannot delete a Stock Category from multiple mode.

Delete a Stock Category

You can delete a stock category only if it does not have any children under it. The children could be stock category or stock item or both.

Gateway of Tally > Inventory Info> Stock Categories> Single Alter

Press [Alt] + [D] to delete the stock category

Note: You cannot delete a stock category from multiple mode.

Stock Items

Stock Item refers to goods that you manufacture or trade. It is the primary inventory entity and the lowest level of information on your inventory. You have to create a Stock Item in Tally for each inventory item that you want to account for. In other words, you have to create a stock ledger account for each item and Tally calls it Stock Item.

Go to Gateway of Tally < Inventory Info. > Stock Items

Creating a Stock Item

If you are creating Stock Items for the first time, it is advisable to configure the F12: Configure screen before creation any items. You may configure your groups to enable/disable advanced mode.

Go to Gateway of Tally > Inventory Info > Stock Item > Single Create (under Single Stock Item).

Stock Item Creation		ABC Company	
Name	:	Cement	
(alias)	:		
<hr/>			
Under	:	Building Material	
Units	:	kgs	
<hr/>			
Opening Balance	:	Quantity	Rate per Value
	:	[REDACTED]	

A brief description on each of the fields in the Stock Category Creation screen follows

Name

Specify the name of the Stock Item.

Under

Select the group from the List of Groups. If you do not want to categories it under any particular group that you created, choose Primary.

Press Alt+C to create a parent Group from this field.

Units

Give the units of measurement of the item in this field. You would normally use this unit for trading this item.

Use Alt+C to create a new unit, if you do not have one in the list.

Opening Balance

If you already have stock of this item at the time of creating its account in Tally, specify its balance particulars, i.e., quantity, rate and value.

DISPLAYING AND ALTERING STOCK ITEMS

You can display and alter Stock Items in Single mode and Multiple mode.

Displaying a Single Stock Item

Go to Gateway to Tally< Inventory Info.> Stock Items> Display (under Single Stock Item)

Select the name of the Stock Item from the List of Items. The Stock Item Display screen display. You cannot make any changes in this screen.

DIPALYING MULTIPLE STOCK ITEMS

Go to Gateway to Tally< Inventory Info.> Stock Items> Display (under Multiple Stock Items)

Select a Group from the List of Groups to display all the Stock Items under the selected Group, or select All Items to display all the Stock Items, as the case may be. The Multi Stock item Display screen displays, listing the Stock Items and the corresponding details of the Stock Items.

ALTERING A SINGLE STOCK ITEM

Go to Gateway to Tally< Inventory Info.> Stock Items> Alter (under Single Stock Item)

Select the Stock item you want to alter from the List of Items. The Stock Item Alteration screen displays. Make the necessary changes and accept Yes to save. You can delete a Stock Item only if you have not used it in any transaction entry.

Press ALT+D from the Stock Item Alteration screen to delete the Stock Item.

Altering Multiple Stock Items

Go to Gateway to Tally< Inventory Info.> Stock Items> Alter (under Single Stock Item)

Select a Group to alter the Stock Item under the selected group. The Multi Stock Item Alteration screen displays. Make the necessary changes and accept Yes to save.

PURCHASE AND SALES ORDERS

Order Processing

Order processing is the placing of orders with suppliers for purchase to be made from the or receive orders from customers for the purpose of selling. In Tally, Order Processing is linked to Inventories. This allows tracking of the order position for a Stock Item. Using this you can track arrival of goods ordered and also whether the ordered Stock Item are delivered on time etc.

You can create Purchase and Sales Orders in Tally. Purchase Orders (PO) can be created, printer and sent to suppliers. Goods received are linked with the POs and Invoices. Outstanding Purchase Orders should be monitored. Stock Summary displays order position of any item. The Purchase Order Book lists out all the Purchase Orders Placed.

Likewise, Sales Orders received are recorded in Sales Order Entry screen. These details will be available during Delivery Note and Invoicing. The order position in the Stock Summary can be viewed. The Sales Order Book lists all Sales Order received.

Enabling Purchase and Sales Orders

To enable Sales Order and Purchase Order vouchers, activate the following in F11: Features.

1. Set Allow Purchase Order Processing and Allow Sales Order Processing to Yes.
2. Enable Use Tracking Numbers

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

CREATING A PURCHASE ORDER

Purchase Order details depend on configuration settings.

To create a Purchase Order:

Go to Gateway of Tally > Inventory Vouchers> F4: Purc. Order

Inventory Voucher Creation		ABC Company		Ctrl + M	
Purchase Order		No. 1		1-Apr-2006 Saturday	
Party's A/c Name : Indian Software Ltd		Order No. : po			
Current Balance :					
VAT/Tax Class: Purchases @ 4%					
Name of Item	Quantity		Rate per	Amount	
	Actual	Billed			
Item A	10 Nos	10 Nos	100.00 Nos	1,000.00	
<input type="checkbox"/> End of List					
Narration:		10 Nos	10 Nos	1,000.00	

Party's A/c Name

Select the Supplier's name form the List of Ledger Accounts. Use Alt + C to create a new account.

Order No

Enter the purchase order number. Configure the voucher type through Accounts Info > Voucher Types to set prefixes and suffixes for Purchase Orders. This particular Order No. field is an additional field to record order number if it is different from the voucher number. The voucher number is automatically displayed here; it is also possible to change this number if needed.

Name of the Item

Select the Stock Item that needs to be purchased from the List of Stock Items. The Item Allocations sub-screen is displayed. Enter the details as show below.

Quantity, Rate and Amount

Enter the quantity of the item required and its rate. The amount is calculated, but it can be modified to enable rounding off.

ALTERING A PURCHASE ORDER

To alter a Purchase Order

· Go to Gateway of Tally > Display > Day Book

OR

· Go to Gateway of Tally > Display > Inventory Books > Purchase Order Book

Make the necessary alterations and save.

DELETE A PURCHASE ORDER

To delete a Purchase Order Press Alt + D in the Purchase Order alteration screen This filed is optional. Enter necessary particulars about the order.

CREATING SALES ORDERS

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

To create a Sales Order:

Go to Gateway of Tally > Inventory Voucher> F5: Sales Order

Inventory Voucher Creation		ABC Company	Ctrl + M
Sales Order No. 1		List of Items	
Party's A/c Name : Sun Manufacturing Co. Current Balance : 5,200.00 Dr		<input type="checkbox"/> End of List	
Name of Item		Qu	Aerial 0 Nos
		Actual	Cement 10 Bgs
A.			Gold 8 - Cd Rom
			Gold B Cd Rom
			IC Chips 0 Nos
			Item A 100 Nos
			Maxell Disk 3.5
			MBP 150
			Picture Tubes 0 Nos
			Sound Card 0 Nos
			Television Flatron 0 Nos
			Timber 450 Nos
			VDU 0 Nos

Party's A/c Name

Select the Customer's name. press Alt + C to create a new account.

Order No

The voucher number is automatically displayed. You can change this number if required.
Enter the sales order number.

Name of the Item

Select the Item for which th order is to be placed from the List of Stock Items. Here, the Item Allocations sub-screen is displayed. Enter the details as shown below:

Quantity, Rate and Amount

Enter the quantity of the item required and its rate. The amount is calculated, but it can be modified to round it off.

Introduction to cost

A Cost Centre is any unit of an organization to which transactions (generally, revenue) can be allocated. When only costs 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.

Cost Centre in Tally allows an additional dimension to a transaction where a Ledger account indicates the nature of the transaction. It does not readily disclose, except in the narration field, which part of the organization was involved in the transaction.

By providing Cost Centres, a transaction can be allocated to it, which would then enable extraction of all transactions for a Cost Centre. Tally gives you the Cost Centre break-up of each transaction as well as details of transactions for each Cost Centre.

Some examples of Cost Centers are

- Departments of an organization – Finance, Manufacturing, Marketing, and so on.
- Products of a company.
- Individuals such as Salesman A, Salesman B.

USE OF COST CENTRES

You can classify Cost Centres just as how you classified Group/Ledger accounts. You can have Primary Cost Centres and several levels of Cost Centres under each Primary Cost Centre.

Consider the following example.

Primary Cost Centres - Finance, Manufacturing, Marketing.

Under Marketing, classify the company's sales executives as Cost Centres. This will help you track a sales executive's performance, in terms of cost and revenue generated.

CREATING A SINGLE COST CENTRE

To create a Cost Centre, set Maintain Cost Centres to Yes in F11: Features. It is advisable not to set More than ONE Payroll/Cost Category to Yes, unless required.

By default, Tally activates the Cost Centre feature for Ledger accounts under Sales Accounts, Purchase Accounts, Expense and Income groups.

Go to Gateway of Tally> Accounts Info.> Cost Centres> Create (Single Cost Centre)

The Cost Centre Creation screen displays.

Cost Centre Creation	
Name	: Bangalore
(alias)	: Head Office
Under	: <input type="checkbox"/> Primary
<div>Accept ?</div> <div>Yes or No</div>	

A brief explanation on each of the fields in the Cost Centre Creation screen follows.

Name

Enter the name of the Cost Centre in this field. For example, Bangalore.

Alias

Enter an alternative name, if required. For example, the Cost Centre Bangalore can be referred to as Head Office or by a code number.

Under

Select the parent Cost Centre under which the Cost Centre needs to be created from the list of Cost Centres. If you want the Cost Centre to be a Primary Cost Centre, select primary from the list.

DISPLAYING A SINGLE COST CENTRE

To display the details of Cost Centre masters

Go to Gateway of Tally> Accounts Info.> Cost Centres> Create (Under Single Cost Centre)

The Cost Centre Display screen appears. It is not possible to make any modifications to the Cost Centre master in the Display mode. You can only view the details in this mode.

Altering a Cost Centre

To alter an existing Cost Centre

Go to Gateway of Tally> Accounts Info.> Alter > Create (Under Single Cost Centre)

The Cost Centre Alteration screen appears. Make the necessary changes and Accept to save.

Deleting a Cost Centre

You can delete a Cost Centre from the Cost Centre Alteration screen by pressing ALT+D.

You can delete a Cost Centre only if

- It does not have any Cost Centres created under it.
- It is not used in any transactions.

COST CATEGORY

Cost Categories are useful for organizations that require allocation of resources to parallel sets of Cost Centres. Such organizations would usually be project oriented.

Most organizations would not need Cost Categories. The proper use of Cost Centres itself would offer the same benefits. Cost Categories could increase data entry work and make it more complicated. Hence, before opting for Cost Categories, evaluate whether you actually need this option. Always attempt to first use Cost Centres.

Use of Cost Categories

By using cost Categories you may allocate, in parallel, a transaction to more than one set of Cost Centres. The following example illustrates the use of Cost Categories.

The Primary Cost Centres such as Marketing, Finance and Manufacturing can now belong to a category – Departments.

The Salesman A, Band C can be Cost Centres under a Category – Executives. Similarly, you can create a new Cost Category ‘Projects’ under which Cost Centres such as Airport construction, Road construction and Buildings may be created. The classification appears as in the following matrix.

Cost Categories:	Departments	Executives	Projects
Cost Centres:	Marketing	Salesman A	Airports cont.
	Manufacturing	Salesman B	Roads const.
	Finance	Salesman C	Buildings

Specify a Cost Category to allow allocation of only revenue items or items of both revenue and capital nature. In this example, allow both for Departments and Projects Categories and only revenue for Executives.

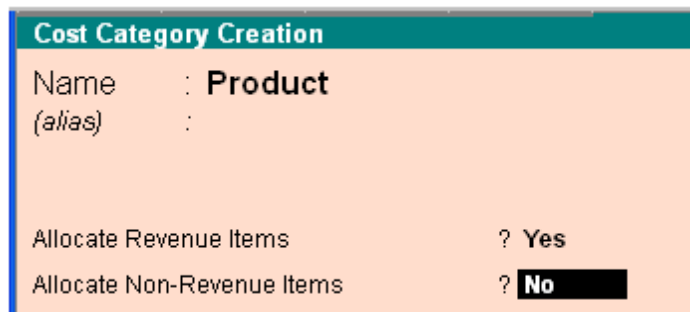
Salesman A incurs conveyance expenses of Rs. 1000. If he has incurred it for marketing, allocate this amount to the Cost Centre – Marketing and his own Cost Centre Salesman A. (Allocate this while entering a payment voucher debiting Conveyance and crediting Cash.). If the

salesman now incurs expense for the project Buildings, allocate to the Cost Centres – Salesman A and Buildings.

To create a Cost Category

Go to Gateway of Tally> Accounts Info.> Cost Categories> Create (Under Single Cost Centre)

The Cost Category Creation screen displays.



Cost Category Creation	
Name	: Product
(alias)	:
Allocate Revenue Items	? Yes
Allocate Non-Revenue Items	? No

A brief description on each of the fields in the Cost Category Creation screen follows.

Name

Enter the name of the Cost Category. For example, Products.

Note: There is no sub-classification of Cost Categories and hence you do not find an Under option. Though there is a Primary Cost Category, it is not a parent of other categories.

(Alias)

Enter an alias if you wish to call the Category by another name or even by a code number. this field displays only if you set Allow ASVANCED entries in Masters in Gateway of Tally > F12: Configure> Accts/Inv Info. to Yes.

ALLOCATE REVENUEITEMS

Set this options to Yes, to allocate all sales, purchase, expenses and income related transactions to Cost Centres that you create under the Cost Category. Normally, you would enable this option. However, should you need to allocate only capital/non-revenue items only to Cost Centres in that cost category, set this to No.

ALLOCATE NON-REVENUEITEMS

You would, usually, disable this options by setting it to No as most Cost Centres need only revenue allocation. However, should you wish to allocate items of non-revenue (capital) or Balance Sheet items, you may set it to Yes. Organizations increasingly incurred on Cost Centres and measure them against revenue earned. Recognizing this trend, Tally has provided this option.

DISPLAYING SINGLE COST CATEGORY

To view the details of the selected Cost Category masters from this mode

Go to Gateway of Tally> Accounts Info.> Cost Categories> Display (Under Single Cost Category)

Select a Cost Category form the List of Categories. The Cost Category Display screen displays.

You cannot make any changes to the fields in the Display mode.

ALTETING SINGLE COST CATEGORY

To alter and existing Cost Category

Go to Gateway of Tally> Accounts Info.> Cost Categories> Alter (Under Single Cost Category)

Select a Cost Category form the List of Categories. The Cost Category Alteration screen displays. Make the changes in the required fields and Accept to save.

Deleting a Cost Category

You may delete a Cost Category that does not have any cost centre under it from the Cost Category Alteration screen. Use ALT+D to delete it. Tally does not allow deletion of a Cost Category that has Cost Centres.

Introduction to Budgets

A budget is a plan prepared for the flow of funds in an organization. It contains financial guidelines for the future plan of action for a selected period of time.

A budget helps to refine goals and use funds efficiently. It provides accurate information for evaluation of financial activities, aids in decision making and provides a reference for future planning.

Multiple budgets can be created for specific porpoises in Tally. Budgets for Banks, Head offices, Optimistic budgets, Realistic budgets, Pessimistic budgets, and so on can be created. Departmental budgets like Marketing Budgets, Finance Budgets, and so on, can also be created. Budget figures can be used in Tally to compare actuals and variances.

In Tally, you can create, alter and delete a budget.

ACTIVATING BUDGETS FEATURE

To activate the Budgets feature in Tally:

- Select F11: Features > Accounting Features

- Set Maintain Budgets and Controls? to Yes.
- Accept to save.

CREATING A BUDGET

To create a Budget in Tally

- Go to Gateway of Tally > Accounts Info> Budgets> Create
- In the Budget Creation screen enter a Name for your budget.
- Select from the List of Budgets for Under field. You can have a hierarchical setup for budgets. In the List of Budgets, Primary is at the top of the hierarchy and you can create more primary budgets. Sub-budgets can be created under Primary budgets.
- Enter the period of the budget in the From and To fields. The period entered can be a month, a year or any other period.
- In Set/Alter Budgets of, select
 - Groups – To create a budget for a Group of ledger accounts.
 - Ledgers – To create a budget for Ledgers.
 - Cost Centres – To create a budget for Cost Centers.
- Accept to save.

BUDGET FOR GROUPS

Set Yes in the Groups field in the Budget Creation/ Alterations screen to set budgets for a group or group of ledgers.

In the Group Budget screen, select a Group from the List of Groups and enter Account Name.

Enter the cost center for a group in Cost Centre. Select Not Applicable, if the budget is not for a particular cost centre, but for the company.

In Type of Budget, select from the following two types.

1. On Nett Transactions

Select this option to monitor the transaction amounts, not the balances. Nett is not of debits and credits for the specified period. For example, Nett transactions for Indirect Expenses are the debit amount for the specified period after reducing the credits for the same period. Opening and closing balances are not considered.

2. On Closing Balance

Select this option to monitor the balance of the accounts, not the transactions. For example, balances of bank accounts, balances of debtors.

Enter the budget amount in the Amount field.

ALTER A BUDGET

You can modify a budget, using the alter option.

- Go to Gateway of Tally> Accounts Info> Budgets> Alter
- In the Budget Alteration screen, modify the fields as required. Change the period or change budgets of Groups, Ledgers and Cost Centers.

Note: Set/Alter Budget is set to No by default. Set this option to Yes to alter.

DELETING A BUDGET

To delete a budget

- Go to Gateway of Tally> Accounts Info> Budgets> Alter
- Press Alt+D.

Unit -5

Displaying Information from Tally

The display screens of Tally are dynamic and interactive. They are not spooled print files but are specially designed for the screen. Whatever you see on the screen can be printed as well depending upon your printer's capabilities. To view the Display Menu:

Go to Gateway of Tally> Display

The following screen displays



DAY BOOK

The Day Book contains all vouchers for the day, including inventory vouchers. Its purpose is to show you a day's transactions, though you can display a report for any period using Change period option.

To view Day Book

Go to Gateway of Tally > Display> Daybook

The Day Book lists all transactions made over a particular day and by default displays the last voucher entry date of a regular voucher. It could also be set up to list all the transactions made over a period.

Press F2: Period on the button bar or press the keys Alt+F2.

All the transactions include all financial vouchers, reversing and memorandum journals as well as inventory vouchers.

Consider an example:

Day Book for a period

Day Book			ABC Company		Ctrl + M	
Day Book			1-Apr-2006 to 31-Jul-2006			
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount	
				Inwards Qty	Outwards Qty	
1-4-2006	Employee A - Absent	Attendance	1			
1-4-2006	Employee A - Absent	Attendance	2			
1-4-2006	Employee A - Absent	Attendance	3			
1-4-2006	Employee A - Absent	Attendance	4			
1-4-2006	Employee A - Absent	Attendance	5			
1-4-2006	Employee A - Absent	Attendance	6			
2-4-2006	Employee A - Absent	Attendance	7			
2-4-2006	Basic Salary	Payroll	1	22,000.00		
2-4-2006	Basic Salary	Payroll	2	1,545.00		
2-4-2006	Basic Salary	Payroll	3	1,455.00		
2-4-2006	Basic Salary	Payroll	4	2,500.00		
2-4-2006	Basic Salary	Payroll	5	16,666.67		
30-4-2006	Basic Salary	Payroll	6			
1-5-2006	Basic Salary	Payroll	7	2,144.00		
1-5-2006	Basic Salary	Payroll	8	2,144.00		
1-5-2006	Basic Salary	Payroll	9	2,144.00		
1-5-2006	Basic Salary	Payroll	10	2,144.00		
1-5-2006	Basic Salary	Payroll	11	2,144.00		
1-5-2006	Basic Salary	Payroll	12	2,144.00		
2-5-2006	Employee A - Absent	Attendance	8			
2-5-2006	Employee B - Absent	Attendance	9			
2-5-2006	Employee D - Absent	Attendance	10			
2-5-2006	Employee F - Absent	Attendance	11			
2-5-2006	Employee A - Absent	Attendance	12			
2-5-2006	Employee C - Absent	Attendance	13			
						17 more ...

17 more ...

You can also filter the list so as to display the transactions of a particular voucher type using F4: Chg Vch button from the button bar.

DISPLAY TRIAL BALANCE

Trial Balance provides you a report on the account balances sorted by groups, for all the accounts of the selected company. In other words, the Trial balance displays a collection of main groups and their closing balances.

Trial Balance is a report of all account balance for the company sorted by groups, i.e., it is displayed in a grouped form, comprising main groups and their closing balances. You can see that the debit and credit balance match.

In Tally, the matching of the Trial Balance is a foregone conclusion since all voucher entries are in Debit – Credit format and must balance at the entry point To view the Trial Balance Go to Gateway of Tally > Display > Trial Balance

Trial Balance ABC Company Ctrl + M			
Particulars	ABC Company		
	1-Apr-2006 to 31-Mar-2007		
	Closing Balance		
	Debit	Credit	
Capital Account		500.00	
Current Liabilities		1,80,79,560.00	
Current Assets	16,51,679.18		
Sales Accounts		1,55,130.00	
Indirect Incomes		1,00,10,000.00	
Indirect Expenses	15,500.00	22,148.38	
Diff. in Opening Balances	2,65,99,159.20		
Grand Total	2,82,66,838.38	2,82,66,838.38	

- Select F1: Detailed to break down the grouped information or simply drill down a Group of further detail.

Note: As per accounting principles, the Trial Balance does not list Closing Stock.

DISPLAY PROFIT & LOSS ACCOUNT

The Profit and Loss Account shows the operational results over a given period. It lists out the Incomes and Expenditures based on the Primary Groups of Tally and the Profit & Loss Account in Tally is updated instantly with every transaction voucher that is entered and saved.

To view the Profit & Loss Account

Go to Gateway of Tally > Profit & Loss Account

Profit & Loss A/c		ABC Company		Ctrl + M	
Particulars	ABC Company		Particulars	ABC Company	
	1-Apr-2006 to 31-Mar-2007			1-Apr-2006 to 31-Mar-2007	
Opening Stock	1,500.00		Sales Accounts	1,200.00	
Gross Profit c/o	52,700.00		Purchase Accounts	53,000.00	
			Closing Stock		
	54,200.00			54,200.00	
Indirect Expenses	1,24,775.00		Gross Profit b/f	52,700.00	
			Nett Loss	72,075.00	
Total	1,24,775.00		Total	1,24,775.00	

The **Ratio Analysis** appears as shown below:

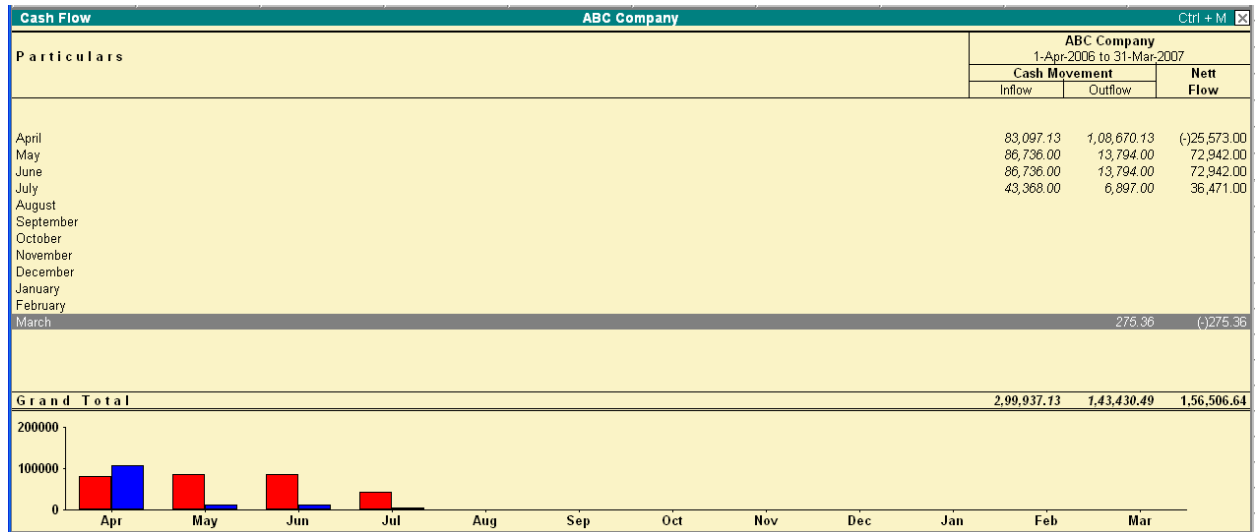
Ratio Analysis		National Traders		Ctrl + M	
Principal Groups		National Traders 1-Apr-2009 to 22-Dec-2009		Principal Ratios	
		National Traders 1-Apr-2009 to 22-Dec-2009			
Working Capital		30,74,639.70 Dr		Current Ratio	3.21 : 1
(Current Assets-Current Liabilities)				(Current Assets : Current Liabilities)	
Cash-in-hand		10,695.00 Dr		Quick Ratio	2.94 : 1
Bank Accounts		92,461.07 Dr		(Current Assets-Stock-in-hand : Current Liabilities)	
Bank OD A/c				Debt/Equity Ratio	0.02 : 1
Sundry Debtors		39,81,263.63 Dr		(Loans (Liability) : Capital Account + Nett Profit)	
(due till today)		39,86,263.63 Dr		Gross Profit %	68.84 %
Sundry Creditors		13,72,875.00 Cr		Nett Profit %	68.71 %
(due till today)		13,71,500.00 Cr		Operating Cost %	31.29 %
Sales Accounts		41,08,585.00 Cr		(as percentage of Sales Accounts)	
Purchase Accounts		13,75,875.00 Dr		Recv. Turnover in days	260.22 days
Stock-in-hand		3,81,475.00 Dr		(payment performance of Debtors)	
Nett Profit		28,23,036.37 Cr		Return on Investment %	91.86 %
Wkg. Capital Turnover		1.34		(Nett Profit / Capital Account + Nett Profit)	
(Sales Accounts / Working Capital)				Return on Wkg. Capital %	91.82 %
Inventory Turnover		10.77		(Nett Profit / Working Capital) %	
(Sales Accounts / Closing Stock)					

Cash Flow Statement

Cash Flow Statement is a chronological account of the movement of cash in and out of the business and includes all cash transactions made with banks also. When used with banks also. When used with the Balance Sheet and Profit & Loss Account, the Cash Flow Statement helps to assess the reasons for the differences between net income and net cash flow as well as the effect of cash/non-cash investing and financing transactions.

To access the Cash Flow:

1. Go to Gateway of Tally > Display > Cash/Funds Flow> Cash Flow
2. A Monthly Cash Flow Summary that shows the Cash Movement – inflow and outflow for each month and the Nett Flow, displays.



3. Select a month and Press Enter to drill down. Select the button F1: Detailed form the button bar to see the cash flow for that month.

FUNDS FLOW STATEMENT

While Cash Flow Statement is concerned only with cash, Funds Flow takes into account, the movement of the entire working capital. It includes rise and fall in inventories, creditors and debtors apart from cash and bank. The statement reveals the Sources of Funds and how they were applied.

To access the Funds Flow:

1. Go to Gateway of Tally > Display > Cash/Funds Flow > Funds Flow
2. A Monthly Funds Flow Summary with the movement of working capital for each month displays. It shows the Opening and Closing Balances of each month with a column for Funds Flow.
3. Select a month and press Enter to drill down.
4. Select F1: Detailed to see the funds flow for the selected month.

Funds Flow Summary		ABC Company		Ctrl + M	
Sources		ABC Company 1-May-2006 to 31-May-2006		Applications	
				ABC Company 1-May-2006 to 31-May-2006	
				Nett Loss	
				13,794.00	
Total		Total		13,794.00	
Particulars		Opening Balance		Closing Balance	
Current Assets		73,938.00 Cr		87,732.00 Cr	
Current Liabilities		44,700.00 Cr		44,700.00 Cr	
Working Capital		1,18,638.00 Cr		1,32,432.00 Cr	
				Wkg Cap Increase	
				(-)13,794.00	

5. The Bottom of the screen displays the movement in Working Capital.

Display Cost Centre Reports

Go to **Gateway of Tally > Display > Statements of Accounts > Cost Centres**.

The Cost Centres Menu comprises of the following sub menus :

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

Category Summary

This report displays the summarised position of the cost centres. You can drill down to the list of vouchers. In the above exercises while entering the vouchers, we held 'Amar' responsible for some of the expenses and incomes and 'Barry' for some. The purpose of mentioning their names in the Narration was to record their performance for later analysis and possible bonus payments.

The **Cost Category Summary** report for the period 1-4-2009 to 20-10-2009 appears as shown below:

Cost Category Summary		National Traders		Ctrl + M
Particulars	National Traders 1-Apr-2009 to 20-Oct-2009			
	Transactions		Closing Balance	
	Debit	Credit		
Projects & Assignments	10,80,070.00	38,51,000.00	27,70,930.00	Cr
Projects	10,80,070.00	38,51,000.00	27,70,930.00	Cr
Buildings	6,65,050.00	21,16,000.00	14,50,950.00	Cr
Roads	4,15,020.00	17,35,000.00	13,19,980.00	Cr
Salesmen	50.00		50.00	Dr
Amar	50.00		50.00	Dr

- Select **Buildings** and press **Enter**. You are now drilling down into the **Month-wise Cost Centre Statement** of Buildings. You have the option to add a new column, select another cost centre, access **F12: Configure** and view the configured details.
- Press **Enter** on any month (select December here) and you will get the **Cost Centre Vouchers report**. This displays the list of vouchers pertaining to a cost centre for the selected month.

Cost Centre Break-up

This report displays a summarised information on Ledgers and Groups for the selected cost centre. You can drill down to the list of vouchers.

Now, go back to the **Display Cost Centres** menu > select **Cost Centre Break-up**

- Select **Buildings**, from the list of Cost Centres
- Press **F2** and change the period from 1-4-2009 to 20-10-2009.

Ledger Break-up

This report displays the summarised information of all Cost Centres for the selected Ledger. You can drill down to the list of vouchers.

Now, go back to the **Display Cost Centres** menu

- Select **Ledger Break-up**
- Select **Conveyance Ledger**.

From the above report, you can press **Alt+C**, to insert a new column and display the cost centre details for **Consulting Fees**.

Group Break-up

This report displays the summarised information of all Cost Centres for the selected Group. You can drill down to the list of vouchers.

Similar to **Ledger Break-up** explore the **Group Break-up of Cost Centres**.

Display Inventory Reports & Statements

Inventory in Tally operates in the same way as accounting with regard to displaying, modifying and printing reports. Tally generates inventory report based on the vouchers entered to date. You can use the customized reports to compare inventory data between different companies, periods of the financial year, and so on.

Highlight the item and press Enter to step down to the next level of detail in a report. Report this process till you reach an individual voucher. Similarly, step back to higher levels by pressing Esc. The special features available for the currently displayed report are indicated on the button bar and can be selected with a single click of the mouse.

This section highlights some special inventory screens and illustrates a basic level of customization.

Bank Reconciliation Statement

Reconciling the Company's Bank Accounts with the Bank Statement is a fundamental and regular task of accounting. This process is referred to as Bank Reconciliation.

In this section, you will learn to reconcile the company's bank accounts with your banker's statement.

Reconciling Bank Accounts

The bank where you hold a current account has sent you a bank statement for the week ended April 7, 2009 showing the following entries:

Bank Statement of National Traders - Bank Account for April 2009

Date	Particulars	Deposits	Withdrawals	Balance
1-4-09	Balance b/f			38,700.00
1-4-09	Cheque 12789 ref Employee Wages		600.00	34,400.00
2-4-09	Cheque 12790 ref Challenger Systems.		500.00	33,900.00
7-4-09	Balance c/f			33,900.00

To view and reconcile the transactions relating to **Bank Account** for the month of **April 2009** :
Go to **Gateway of Tally > Display > Account Books > Cash/Bank Book(s) > Bank Account**

1. Select **April 2009**.

2. Press **F12: Configure** and activate **Show Narration** to view the cheque numbers and other details of all the transactions of April 2009.

3. Click **F5: Reconcile** (In **Bank Account** ledger display, an additional button **F5: Reconcile** will be available on the button bar).

4. The display now becomes an **Edit** screen in the reconciliation mode. The primary components are:

A column for the **Banker's Date**.

➤ The Reconciliation at the bottom of the screen, showing: **Balance as per Company Books, Amounts not reflected in Bank and Balance as per bank**.

5. Enter the **Bank date** for the two payment vouchers of **Rs. 500** and **Rs. 600**. (As the dates are entered, you will find the Bank Balance as per Company books is effected).

The **Bank Reconciliation** screen appears as shown below :

Bank Reconciliation		National Traders		Ctrl + M	
Ledger: Bank Account				1-Apr-2009 to 30-Apr-2009	
		(Reconciliation)			
Date	Particulars	Vch Type	Bank Date	Debit	Credit
1-4-2009	Challenger Systems	Bank Payment	5-4-2009		500.00
2-4-2009	Wages	Bank Payment	5-4-2009		600.00
5-4-2009	Data Link Technologies	Receipt		5,000.00	
6-4-2009	Petty Cash	Contra			200.00
				Balance as per Company Books :	38,700.00
				Amounts not reflected in Bank :	5,000.00
				Balance as per Bank :	33,900.00

6. Leave the dates blank for other vouchers and press **Enter** till you accept the screen.

7. To view the reconciled vouchers, press **F12: Configure** and activate **Show reconciled vouchers also**.