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The main Advantages of a Computerized Accounting system are listed below:

1. **Speed:** Data entry onto the computer with its formatted screens and built-in databases of customers and supplier details and stock records can be carried out far more quickly than any manual processing.
2. **Automatic document production:** fast and accurate invoices, credit notes, purchase orders, printing statements and payroll documents are all done automatically.
3. **Accuracy:** there is less room for errors as only one accounting entry is needed for each transaction rather than two (or three) for a manual system.
4. **Up-to-date information:** the accounting records are automatically updated and so account balances (e.g. customer accounts) will always be up-to-date.
5. **Availability of information:** the data is instantly available and can be made available to different users in different locations at the same time.
6. **Management information:** reports can be produced which will help management monitor and control the business, for example the aged debtors analysis will show which customer accounts are overdue, trial balance, trading and profit and loss account and balance sheet.
7. **GST/VAT return:** the automatic creation of figures for the regular GST/VAT returns.
8. **Legibility:** the onscreen and printed data should always be legible and so will avoid errors caused by poor figures.

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9. **Efficiency:** better use is made of resources and time; cash flow should improve through better debt collection and inventory control.
10. **Staff motivation** – the system will require staff to be trained to use new skills, which can make them feel more motivated. Further to this with many ‘off-the-shelf’ packages like MYOB the training can be outsourced and thus making a particular staff member less critical of business operations.
11. **Cost savings** – computerized accounting programs reduce staff time doing accounts and reduce audit expenses as records are neat, up-to-date and accurate.
12. **Reduce frustration** – management can be on top of their accounts and thus reduce stress levels associated with what is not known.
13. **The ability to deal in multiple currencies easily** – many computerized accounting packages now allow a business to trade in multiple currencies with ease. Problems associated with exchange rate changes are minimized.

Features of Tally9.ERP:

The features of Tally Package are classified in three categories viz.

Accounting Features, Inventory Features & Statutory Features

Accounting Features	Inventory Features	Statutory Features
User Friendly	Multiple Stock Item	VAT Returns
Instant Reports	Codification of	CST Reports
Interest Calculation	Material	Service Tax Reports

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Tally without Codes	Batch wise details	Excise Reports
Flexibility (For Alteration & Reports Generation)	Different price	
Data Security	Purchase Order	
Multiple Currency	Sales Order	
Cheque Printing	Actual & Billed Qty.	
Backup & Restore Facility	B.O.M.	
Payroll Analysis	Rejection Notes	
Confirmation of Accounts	Stock Valuation	
Bill-wise Details	Multiple Godown	
Cost Centers & Cost Categories		
Debit / Credit Notes		
Memorandum of Vouchers		
Invoice Generation		

How to Create a Company in Tally.ERP9

Company Info. → Create Company

Directory: Here type the destination where you want to save the data files of your company. The default directory C:\Tally.erp9\Data

Name: Here type name of the your company

Mailing Name and Address: Here type address of your company. This address will be shown in report like Profit & Loss, Balance Sheet etc.

Statutory Compliance for: Here select your country.

State: Here select your state from given list.

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Pin Code: Here type the Postal Index number of your company's address.

Telephone No.: Here type the telephone number of your company with STD code.

Mobile Number: Here enter mobile number of related person.

E-mail: Here enter E-mail address of your company

Currency Symbol: it is the base currency symbol (), it is usually for Indian companies Rs. (INR: Indian Rupees)

Maintain

Accounts Only:

Select this option if you do not want to maintain inventory details.

Accounts with Inventory:

Select this option if you want to maintain accounts as well as inventory details.

Financial year from: The financial year always start from 1st April. Here type the financial year from which you are maintaining books of accounts.

Books beginning from: Here type the date from which you are maintaining books of accounts. This date may be different from financial year from.

Use Security Control: If you Set Yes to this option

Groups in Tally

Sr. No.	Groups	Alias	Accounts
1	Bank Accounts		For Savings / Current Accounts in Bank
2	Bank OCC Accounts	Bank OD A/c	For Cash Credit Account in Bank
3	Branch / Division		For any Branch Account of your Company
4	Capital A/c		For Capital accounts proprietor / partner / for share capital
5	Cash-in-hand		For cash & Petty Cash Accounts

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6	Current Assets		For assets held in a business for short period of time (less than one year) e.g. Bills Receivable, Outstanding Income, prepaid expenses etc.
7	Current Liabilities		For short term liabilities e.g. Bills payable, Outstanding expenses, pre-received income etc.
8	Deposits (Assets)		For short term deposits other than in Banks like Dealer Deposit etc.
9	Duties & Taxes		For unpaid Duties & Taxes like, VAT, CST, TDS etc.
10	Expenses (Direct)	Direct Expenses	For those expenses which are directly related to production / factory e.g. Wages, Power charges, carriage inward etc.
11	Expenses (Indirect)	Indirect Expenses	For office / administrative expenses like Salary, Electricity bill, Travelling expenses etc.
12	Fixed Assets		For assets held in a business for long period of time (more than one year) e.g. Land & Building, Plant & Machinery, Furniture, Computers, Mobile Phone etc.
13	Income (Direct)	Direct Income	For factory income like sale of scrap, sale of by-product etc.
14	Income (Indirect)	Indirect Income	For Income other than sale / for office income like Commission received, Rent received, Discount Received, Dividend Received
15	Investments		For investments in Fixed Deposits, Shares, Debentures, Bonds etc.
16	Loans & Advances (Assets)		For Loans & advances given to others (friends, relative, staff)
17	Loans Liability		For accounts of Loans taken from others.

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18	Misc. Expenses (Assets)		For Preliminary expenses / pre-operative expenses of a company e.g. Co. Registration Fees, Discount on issue of shares / debentures.
19	Provisions		For short term provisions like Provision for taxation, provision for unpaid expenses etc.
20	Purchase Accounts		For Purchases Account & purchase return A/c (goods only)
21	Reserve & Surplus	Retained Earnings	For Reserve, Surplus & funds e.g. General Reserve, Depreciation Fund, Provident Fund, Building Fund etc.
22	Sales Account		For Sales Account & Sales Return A/c (goods only)
23	Secured Loan		For secured loan taken from banks / financial institutions.
24	Stock-in-hand		For Opening Stock only
25	Sundry Creditors		For personal accounts of creditors for goods.
26	Sundry Debtors		For personal accounts of debtors for goods.
27	Suspense Account		For Suspense Account / Temporary Account
28	Unsecured Loans		For unsecured Loan taken from friends / relatives

Account-wise Groups

Sr.No.	Ledger	Group
1	Administrative Expenses A/c	Expenses (Indirect)
2	Advertisement A/c	Expenses (Indirect)
3	Air Condition A/c	Fixed Assets
4	Bad Debts A/c	Expenses (Indirect)
5	Bank Charges A/c	Expenses (Indirect)
6	Bank Loan A/c	Loans Liability

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7	Bank overdraft A/c	Bank OD A/c
8	Bills Payable A/c	Current Liabilities
9	Bills Receivable A/c	Current Assets
10	Bonds A/c	Investments
11	Building Fund A/c	Reserves & Surplus
12	Capital A/c	Capital Account
13	Carriage Inward A/c	Expenses (Direct)
14	Carriage Outward A/c	Expenses (Indirect)
15	Cash A/c	Cash-in-hand
16	Cash Credit A/c	Bank OCC A/c
17	Central Sales Tax A/c	Duties & Taxes
18	Charity Fund A/c	Reserves & Surplus
19	Coal, Gas & Fuel A/c	Expenses (Direct)
20	Commission Paid A/c	Expenses (Indirect)
21	Commission Received A/c	Income (Indirect)
22	Computers & Printers A/c	Fixed Assets
23	Conveyance A/c	Expenses (Indirect)
24	Copyright A/c	Fixed Assets
25	Courier Charges A/c	Expenses (Indirect)
26	Creditors for Goods A/c	Sundry Creditors
27	Debentures A/c	Investments
28	Debtors for Goods A/c	Sundry Debtors
29	Depreciation A/c	Expenses (Indirect)
30	Depreciation Fund A/c	Reserves & Surplus
31	Discount Allowed A/c	Expenses (Indirect)
32	Discount on issue of debentures	Misc. Expenses (Assets)
33	Discount on issue of shares	Misc. Expenses (Assets)
34	Discount Received A/c	Income (Indirect)
35	Dividend Equalisation Fund A/c	Reserves & Surplus
36	Dividend paid A/c	Expenses (Indirect)
37	Dock charges A/c	Expenses (Direct)

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38	Drawings A/c	Capital Account
39	Electric Fittings A/c	Fixed Assets
40	Electricity Bill A/c	Expenses (Indirect)
41	Employee's Contribution to P.F. A/c	Expenses (Indirect)
42	Entertainment Expenses A/c	Expenses (Indirect)
43	Excise Duty A/c	Expenses (Direct)
44	Factory Rent A/c	Expenses (Direct)
45	Freehold Property A/c	Fixed Assets
46	Furniture & Fixture A/c	Fixed Assets
47	General Expenses A/c	Expenses (Indirect)
48	General Reserve A/c	Reserves & Surplus
49	Gold A/c	Fixed Assets
50	Goodwill A/c	Fixed Assets
51	Import Duty A/c	Expenses (Direct)
52	Income Tax A/c	Capital Account
53	Insurance A/c	Expenses (Indirect)
54	Investment Fluctuation Fund A/c	Reserves & Surplus
55	Land & Building A/c	Fixed Assets
56	Law Charges A/c	Expenses (Indirect)
57	Leasehold Property A/c	Fixed Assets
58	Live Stock A/c	Fixed Assets
59	Loan from friend A/c	Unsecured Loan
60	Loan to Friend A/c	Loans & Advances (Asset)
61	Loan to Staff A/c	Loans & Advances (Asset)
62	Loss by Fire A/c	Expenses (Indirect)
63	Loss by theft A/c	Expenses (Indirect)
64	Misc. Expenses A/c	Misc. Expenses (Assets)
65	Miscellaneous Receipts A/c	Income (Indirect)
66	Mobile Bill A/c	Expenses (Indirect)
67	Mobile Phone A/c	Fixed Assets
68	Mortgage Loan A/c	Secured Loan

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69	Motor Car A/c	Fixed Assets
70	Office Expenses A/c	Expenses (Indirect)
71	Opening Stock	Stock-in-hand
72	Outstanding expenses A/c	Current Liabilities
73	Outstanding Income A/c	Current Assets
74	Patents A/c	Fixed Assets
75	Petrol Expenses A/c	Expenses (Indirect)
76	Petty Cash A/c	Cash-in-hand
77	Plant & Machinery A/c	Fixed Assets
78	Postage A/c	Expenses (Indirect)
79	Power Charges A/c	Expenses (Direct)
80	Preliminary Expenses A/c(written off)	Expenses (Indirect)
81	Premises A/c	Fixed Assets
82	Pre-paid Expenses A/c	Current Assets
83	Pre-received Income A/c	Current Liabilities
84	Printing & Stationery A/c	Expenses (Indirect)
85	Provident Fund A/c	Reserves & Surplus
86	Provision for Taxation A/c	Provisions
87	Provision for unpaid expenses A/c	Provisions
88	Purchase A/c	Purchase Account
89	Purchase Return A/c	Purchase Account
90	Railway Freight A/c	Expenses (Direct)
91	Registration Fees of Company	Misc. Expenses (Assets)
92	Rent paid A/c	Expenses (Indirect)
93	Rent Received A/c	Income (Indirect)
94	Repairs & Maintenance A/c	Expenses (Indirect)
95	Reserve & Surplus A/c	Reserves & Surplus
96	Reserve for Doubtful Debts A/c	Expenses (Indirect)
97	Returns Inward A/c	Sales Account
98	Returns Outward A/c	Purchase Account
99	Royalties on Production A/c	Expenses (Direct)

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100	Salary A/c	Expenses (Indirect)
101	Sale of Scrap A/c	Direct Income
102	Sales A/c	Sales Account
103	Sales Return A/c	Sales Account
104	Service Tax A/c	Duties & Taxes
105	Shares A/c	Investments
106	Shop Expenses A/c	Expenses (Indirect)
107	Silver A/c	Fixed Assets
108	Sundry Expenses A/c	Expenses (Indirect)
109	Sundry Receipts A/c	Income (Indirect)
110	T.D.S. A/c	Duties & Taxes
111	Telephone Bill A/c	Expenses (Indirect)
112	Trade Mark A/c	Fixed Assets
113	Transportation Charges A/c	Expenses (Direct)
114	Travelling Expenses A/c	Expenses (Indirect)
115	Unexpired Insurance A/c	Current Assets
116	VAT A/c	Duties & Taxes
117	Vehicle A/c	Fixed Assets
118	Wages A/c	Expenses (Direct)
119	Water Charges A/c	Expenses (Direct)
120	Xerox Expenses A/c	Expenses (Indirect)

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Use of Function Keys & Voucher Types in Voucher Entry Menu

F2 (Date): This function key is used to change the current date.

F4 (Contra): This voucher type is used when cash deposited or withdrawn from bank.

In this voucher types following vouchers can be entered.

1. For cash deposited into bank

Bank A/c ----- Dr.

To Cash A/c

2. For cash withdrawn from bank.

Cash A/c ----- Dr.

To Bank A/c

3. For State Bank of India's cheque deposited in Punjab National Bank.

Punjab National Bank A/c ----- Dr.

To State Bank of India A/c

F5 (Payment): This voucher type is used when payment is made either by cash or by cheque.

1. For expenses paid by cash.

Expenses A/c ----- Dr.

To Cash A/c

2. For expenses paid by cheque.

Expenses A/c ----- Dr.

To Bank A/c

3. For cash paid to party / Creditor.

Party / Creditor A/c ----- Dr.

To Cash A/c

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4. For cheque given to Party / Creditor.

Party / Creditor A/c ----- Dr.

To Bank A/c

5. For interest debited in Bank Loan A/c / Cash Credit A/c

Interest Paid A/c ----- Dr.

To Bank Loan A/c / Cash Credit A/c

6. For Asset purchased by cash / Cheque.

Assets A/c ----- Dr.

To Cash / Bank A/c

F6 (Receipt): This voucher type is used when we receive cash or Cross cheque.

- 1. For income received in cash.**

Cash A/c ----- Dr.

To Income (Head) A/c

2. For income received by cheque & deposited into Bank.

Bank A/c ----- Dr.

To Income (Head) A/c

3. For bearer cheque received from party / debtors.

Cash A/c ----- Dr.

To Party / debtor A/c

4. For cross cheque received from Party / debtor & deposited into Bank.

Bank A/c ----- Dr.

To Party / Debtor A/c

5. For interest credited in Savings Bank A/c.

Bank A/c ----- Dr.

To Interest Received A/c

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7. For started business with cash.

Cash A/c ----- Dr.
To Capital A/c

8. For old asset sold by cash / cross cheque.

Cash / Bank A/c ----- Dr.
To Asset A/c

F7 (Journal): In this voucher non-monetary transactions are recorded. Following entries can be recorded in this voucher type.

1. Entry of Bad Debts

Bad Debts A/c ----- Dr.
To Debtor A/c

2. For depreciation charged on fixed Assets

Depreciation A/c ----- Dr.
To Fixed Asset A/c

3. For cash paid by Mr. X (Debtor) to Mr. Y (creditor)

Mr. Y (Creditor) A/c ----- Dr.
To Mr. X (Debtor) A/c

4. Entry of Discount Allowed

Discount Allowed A/c ----- Dr.
To Debtor A/c

5. Entry of Discount Received

Creditor A/c ----- Dr.
To Discount Received A/c

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6. For Asset purchased on credit from Party.

Assets A/c ----- Dr.

To Party / Creditor A/c

7. For Bills Receivable received from Party / Debtor.

Bills Receivable A/c ----- Dr.

To Party / Debtor A/c

8. For Bills Payable given to Party / Creditor.

Party / Creditor A/c ----- Dr.

To Bills Payable A/c

9. All adjustment entries

F8 (Sales): In this voucher type cash & credit sales of goods are recorded.

1. For sold goods by cash.

Cash A/c ----- Dr.

To Sales A/c

2. For sold goods to Party on Credit.

Party (Debtors) A/c ----- Dr.

To Sales A/c

F9 (Purchase) In this voucher type cash & credit Purchases of goods are recorded.

1. For purchased goods by cash.

Purchases A/c ----- Dr.

To Cash A/c

2. For purchased goods from party on credit.

Purchases A/c ----- Dr.

To Party (Creditor) A/c

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Ctrl+F8 (Credit Note): In this voucher type Sales Return transactions are recorded.

1. For goods returned by customer.

Sales Return A/c ----- Dr.

To Debtor / Customer A/c

Ctrl+F9 (Debit Note): In this voucher type Purchase Return transactions are recorded.

1. For goods returned to Seller.

Creditor / Seller A/c ----- Dr.

To Purchases Return A/c

Ctrl+F10 (Memo): Memo means Memorandum. In this voucher type future journal entry, which are required as reminder will be recorded.

Short Keys

Alt+I	To insert a new voucher.
Alt+2	To make a duplicate entry.
Alt+D	<ol style="list-style-type: none">1. To delete Voucher entry.2. To delete Ledger/stock item / stock group / cost centre in alteration mode.
Alt+P	To print reports in Tally.
Alt+R	To repeat the narration of the same ledger account.
Alt+C	To create masters (ledger / group / cost center/stock item/stock group/unit of measures) if any master is not appeared in a list.
Ctrl+R	To repeat the narration of the same voucher type.
Alt+P	To print any report in Tally

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Alt+A	To add voucher entry at Day Book
Alt+F2	To change period of reports
Alt+F3	To open company information menu at Gateway of Tally Menu
F11	To open company Features. Changes in Features affect only current company.
F12	To open Configuration Menu. Changes of configuration in application for all companies in Tally
Shift+Enter	In day book to see details i.e. Narration etc.
F5	In Display – Trial Balance menu to see detailed (account wise) Trial Balance
Alt+F1	At any report to see detail report

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Journalise the following transactions in the books of (Write your name).

2013 April

1. Started business with cash Rs.50,000/-
3. Purchased furniture of Rs.12,500/-
5. Cash deposited into State Bank of India Rs.20,000/-
10. Purchased 10 Samsung Mobiles @ Rs.2,000/- each. on credit from Nahar Cellular Pvt. Ltd. Bill No. 125 & charged 5% VAT on total Purchases.
15. Paid Local Body Tax (LBT) on purchases at 4%
20. Received dividend Rs.1,500/- from Reliance Industries Ltd.
21. Sold 8 Samsung Mobiles @ Rs.3,000/- each & charged 5% VAT on total sales, Invoice No. 15
25. Paid salary Rs.5,500/- by cheque No. 243568
29. Cash withdrawn from State Bank of India Rs.5,000/-
30. Depreciate furniture at 10%.

Practical Application:

1. Create Company (Write Roll No. & your full Name)
2. Create following Ledgers with respective groups through;
Gateway of Tally → Ledger → Create

Ledger Name	Group
a. Capital A/c	- Capital Accounts
b. Furniture A/c	- Fixed Asset
c. State Bank of India A/c	- Bank Accounts
d. Purchases A/c	- Purchase Accounts
e. Nahar Cellular Pvt. Ltd.	- Sundry Creditors
f. Local Body Tax A/c	- Direct Expenses
g. Dividend A/c	- Indirect Income
h. Sales A/c	- Sales Accounts
i. Salary A/c	- Indirect Expenses
j. Depreciation A/c	- Indirect Expenses
k. Input VAT @5%	- Duties & Taxes (Current Liabilities)
l. Output VAT @5%	- Duties & Taxes (Current Liabilities)

3. Create **Units of Measure** from through
Gateway of Tally → Inventory Information → Units → Create
Symbol = Qty. **Formal Name** = Quantity **No. of Decimal Places** = 0
4. Create **Stock Item** through
Gateway of Tally → Inventory Information → Stock Item → Create
Name = Samsung Mobile **Units** = Qty. (Quantity)
5. Make voucher Entries in given Order
- 6.

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In the books of -----
Journal

Date	Particulars	Amount	Amount	Voucher Types
1	Cash A/c Dr. To Capital A/c (Being Capital introduced)	50000	50000	F6 (Receipt)
2	Furniture A/c Dr. To Cash A/c (Being furniture purchased)	12500	12500	F5 (Payment)
3	State Bank of India A/c Dr. To Cash A/c (Being cash deposited)	20000	20000	F4 (Contra)
4	Purchases A/c Dr. Input VAT @5% A/c Dr. To Nahar Cellular Pvt. Ltd. A/c (Being purchased goods on credit)	20000 1000	21000	F9 (Purchase)
5	Local Body Tax A/c Dr. To Cash A/c (Being LBT paid by cash)	1000	1000	F5 (Payment)
6	Cash A/c Dr. To Dividend A/c (Being dividend received)	1500	1500	F6 (Receipt)
7	Cash A/c Dr. To Sales A/c To Output VAT @ 5% (Being sold goods for cash)	25200	24000 1200	F8 (Sales)
8	Salary A/c Dr. To State Bank of India A/c (Being Salary paid by cheque No. 243568)	5500	5500	F5 (Payment)
9	Cash A/c Dr. To State Bank of India A/c (Being cash withdrawn)	5000	5000	F4 (Contra)
10	Depreciation A/c Dr. To Furniture A/c (Being depreciation charged @10%)	1250	1250	F7 (Journal)

Attach the following Reports

1. Voucher for Salary
2. Sales Invoice
3. Day Book (In detail)
4. Cash Book (In detail)
5. Trial Balance (Ledger Wise)
6. Trading, Profit & Loss A/c
7. Balance Sheet
8. Detailed Stock Summary (Inward & Outward)
9. Ratio Analysis

Voucher Types, its uses & Short Keys

F2 (Date) : In Voucher Entry Menu to change current date.

F4 (Contra) : For self cash deposited & withdrawn from bank

F5 (Payment) : For cash or Cheque Payment

F6 (Receipt) : For Cash or Cross cheque received

F7 (Journal) : For non monetary transactions & adjustment entries

F8 (Sales) : For transaction of Sale of goods only (cash & credit)

F9 (Purchase) : For transaction of Purchase of goods (cash & credit)

Ctrl +F8 (Credit Note) : For Sales Return transactions

Ctrl +F9 (Debit Note) : For Purchases Return transactions

F10(Memorandum) : For recording future voucher entries as a reminder.