

INTRODUCTION TO MIS

Management Information System

Chapter : 1

Management:

Management covers the planning, control, and administration of the operations of a concern. The top management handles planning; the middle management concentrates on controlling; and the lower management is concerned with actual administration.

Information:

Information, in MIS, means the processed data that helps the management in planning, controlling and operations. Data means all the facts arising out of the operations of the concern. Data is processed i.e. recorded, summarized, compared and finally presented to the management in the form of MIS report.

System:

Data is processed into information with the help of a system. A system is made up of inputs, processing, output and feedback or control.

Thus MIS means a system for processing data in order to give proper information to the management for performing its functions.

Definition

A Management Information System is an integrated user-machine system, for providing information, to support the operations, management, analysis &> decision-making functions in an organization.

In Other Words

The System utilizes computer hardware & software, manual procedures, models for analysis, planning, control & decision making and a database

MIS

MIS provides information to the users in the form of reports and output from simulations by mathematical models.

MIS Characteristics

1. Management Oriented/directed
2. Integrated
3. Common Data Flowst
5. Subsystem Concept
7. Flexibility & Ease of Use
8. Database
9. Distributed Systems
10. Information as a Resource

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CHARACTERISTICS OF MANAGEMENT INFORMATION SYSTEM

Management information system and top management - management information system is a comprehensive and coordinated set of information subsystems which are rationally integrated and which transform data information in a variety of ways to enhance productivity in conformity with the manager's style and characteristics on the basis of established quality.

1. Management oriented –

- The system is designed from top to bottom. This does not mean that the system will be geared to providing information directly to top management rather it means that the system development starts from an appraisal of management needs and overall business objectives it is possible that top management is the focus of the system such as their needs cornerstone on which the system is built.
- For example- a marketing information system basic sales order processing the shipment of goods to the customers and the billing of the goods are fundamental operation control activities. however if the system is designed properly this transaction information can be traced by salesman, sales territory, size of order, geography and product line.

2. Management directed –

- Because of the management information system it is imperative that management actively directs the system development efforts to determine what information is necessary
- To improve its control of operation it is rare to find an MIS where the manager himself or a high level representative of his department is not spending a good deal of time in system design it not a non time involvement for continued review and participation are necessary to ensure that the implemented system meets the specification of the system that designed therefore management is responsible for setting system specification and it must play a major role in subsequent trade off decision.

3. Integrated - integration is significant because of the ability to produce more meaningful management information for example in order to develop an effective production scheduling system we must balance such factors as:

- A. Set up cost.
- B. Work force.
- C. Overtime rates.
- D. Production capacity.
- E. Capital requirement
- F. Customer service.

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4. **Common data flows** - Because of the integration concept of management information system there is an opportunity to avoid duplication and redundancy in data gathering storage and dissemination.

5. **Flexibility and ease of use** –

Strategic planning

- MIS cannot be designed overnight. It requires very high degree of planning which goes into creating an effective organization. The reason for this kind of planning is to ensure that the MIS being built not only satisfies the information need of the managers today but can also serve the organization for the next five to ten years with modifications. Sometimes when the planning part is done away with, systems tend to perform well in the present, but they tend to become obsolete with time. Planning helps to avoid this problem.
- Despite a careful analysis of the future management information needs it is impossible to predict what is desire there to five year. This is true in most industries and especially in industries with rapid change patterns. And the way it is implemented and used.

6. **Data base (Bias towards Centralization)**–

- The data is the mortar that holds the functional system together each system requires access to a master file. If the data is stored efficiently can provide the data needed by any of the functional system.
- It seems logical to gather data ones, properly validate it and place it on a central storage medium that can be accessed by any system.

7. **Distributed data processing** –

- The majority of the companies implementing management information system have a geographic network of sale office, distribution channel, manufacturing plants, division, subdivision and so on some of these entities are operated in a completely independent fashion and therefore may not be part of the integrated MIS.
- Distributed data processing can be thought of as the delivery system, placing information in the hands of those who need it when they need it.

8. **Information as a resource** –

- Providing the entire organization must be a concept that information is a valuable resource particularly in the management control and strategic planning areas must be properly managed.
- This is a subtle but important change in thinking. It was a common in the past to view the data processing.

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Components of MIS

A management information system is made up of five major components namely people, business processes, data, hardware, and software. All of these components must work together to achieve business objects.

People – these are the users who use the information system to record the day to day business transactions. The users are usually qualified professionals such as accountants, human resource managers, etc. The ICT department usually has the support staff who ensure that the system is running properly.

Business Procedures – these are agreed upon best practices that guide the users and all other components on how to work efficiently. Business procedures are developed by the people i.e. users, consultants, etc.

Data – the recorded day to day business transactions. For a bank, data is collected from activities such as deposits, withdrawals, etc.

Hardware – hardware is made up of the computers, printers, networking devices, etc. The hardware provides the computing power for processing data. It also provides networking and printing capabilities. The hardware speeds up the processing of data into information.

Software – these are programs that run on the hardware. The software is broken down into two major categories namely system software and applications software. System software refers to the operating system i.e. Windows, Mac OS, and Ubuntu, etc. Applications software refers to specialized software for accomplishing business tasks such as a Payroll program, banking system, point of sale system, etc.

Management information system concept is a vital to effective computer use in business of two or major reason:

1- It serves as a system framework for organizing business computer applications. business application of computer should be viewed as interrelated and integrated computer based information system and not as independent data processing job.

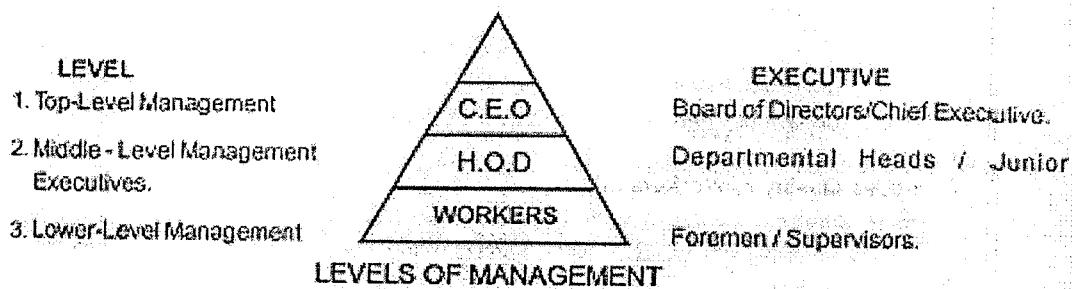
2- It emphasized the management orientation of electronics information processing in business the primary goal of computer based information should be the processing of data generated by business operations.

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LEVELS OF MANAGEMENT/(Framework for understanding MIS)

The term level of management refers to a line of demarcation between various managerial positions. The number of levels of management depends upon the size, technology, degree, of diversity and nature of product. There are mainly three levels of management in most of the organization. There are

1. Top level management
2. Middle level management
3. Lower level management



Top level management

- Top level consists of the board of directors, general manager and other senior executives.
- They fix the objectives of the organization. They prepare policies and takes important decisions to accomplish the objectives of the organization.
- They issue instruction and orders to lower level management. Every organization runs by the managers in that organization, who are taking opinion in the all step of organizational activities.
- In a big organization the computer department responsible for giving information or data also called management information department. In an organizational information system is used to communicate and analyze the in every levels of the organization. In this level decides on the board objectives of an organization.

Middle level management

- Middle level consists of head of financial departments. They are responsible to top management.
- They are concerned with organization and direction function of management. Interpretation of the programs and policies communicate by the top level management, organizing and manning their departments as per the main plan, plan the departmental operations, guide direct and motivate their workers to attain the objective, co-operate and co-ordinate with other departments, evaluate the performance of his subordinates, collect reports and statics from the lower and send in to top level management.
- These are the functions of middle level management. Acquire and arrange the resources to meet the goals of an organization. In this level define the detailed tasks to be carried out at the operational level.

Lower level management

- Lower level management is also known as supervisory management.
- This level includes supervisors, foremen, gang boss, accounts officer, sales officer etc. They are more concerned with direction and control function of management.

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- Their functions are:- plan for a day or week, organize the activities of his group, allot work to the workers under him, issue instructions at the site, motivate the employees, arrange materials, machines, tools etc. for workers, give guidance and supervise the employees to maintain discipline and good relations with the groups.

MIS Support for Decision Making

- Structured / Programmable Decisions
- Unstructured / Non-Programmable Decisions
- Semi-Structured Decisions

MIS SUPPORT FOR DECISION MAKING

Structured / Programmable Decisions:

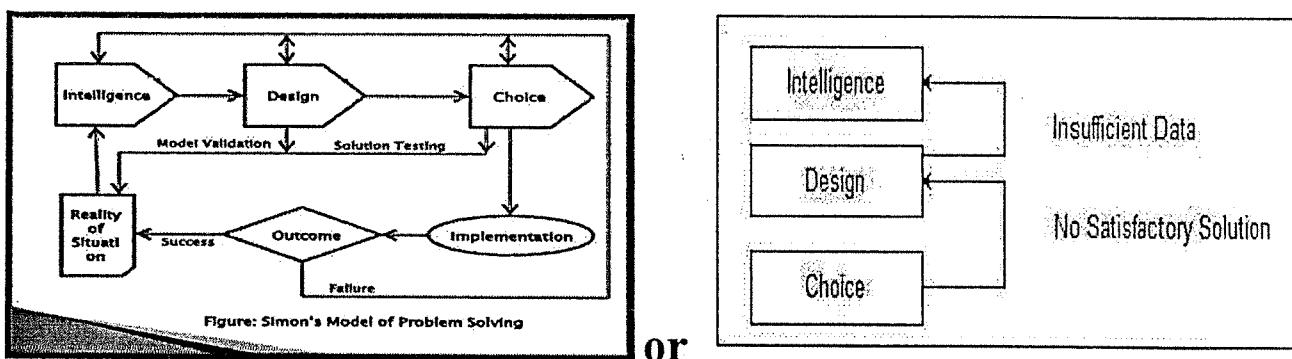
Decisions that are repetitive, routine and have a definite procedure for handling them.

For e.g. Inventory reorder formula, Rules for granting Credit.

Unstructured / Non-Programmable Decisions:

Non-routine decision in which the decision maker must provide judgment, evaluation, and insights into the problem definition.

SIMON'S MODEL OF DECISION MAKING:



- Intelligence which deals with the problem identification and the data collection on the problem.

Intelligence phase of decision-making process involves:
Problem Searching: For searching the problem, the reality or actual is compared to some standards. Differences are measured & the differences are evaluated to determine whether there is any problem or not.

Problem Formulation: When the problem is identified, there is always a risk of solving the wrong problem. In problem formulation, establishing relations with some problem solved earlier or an analogy proves quite useful.

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- Design is the process of designing solution outlines for the problem. Alternative solutions are designed to solve the same problem. Each alternative solution is evaluated after gathering data about the solution. The evaluation is done on the basis of criteria to identify the positive and negative aspects of each solution.
Design which deals with the generation of alternative solutions to the problem at hand.
- Choice : It is the stage in which the possible solutions are compared against one another to find out the most suitable solution. The 'best' solution may be identified using quantitative tools like decision tree analysis
Choice which is selecting the 'best' solution from amongst the alternative solutions using some criterion.

DECISION-MAKING: STRUCTURED VERSUS UNSTRUCTURED DECISIONS IN MIS

Decisions are of varying complexity. Some decisions are routine, simple and easy to take. Knowledge about such decisions is very well known.

STRUCTURED DECISION

- These decisions are those that can be programmed and well defined.
- They are essentially repetitive, routine and involve a defined.
- They are essentially repetitive, routine and involve a definite procedure for handling them so that they do not have to be treated each as if they were new.
- Structured decisions are also called programmable decisions involve situations where the procedures decisions involve situations where the procedures to follow when a decisions are structured or programmed by the decisions procedures or decision rules developed for them.
- A structured decision could possibly involve what is known as a deterministic decision or an algorithmic decision.

Exp. Decision making of students results. decision about the payroll systems etc

Features of structured decision:-

- Structured decisions can be delegated.
- The cost of taking such decisions is not as high as that of unstructured ones.
- These decisions can be made with the help of computer systems.

UNSTRUCTUREDEDECISION

- These types of decisions are occasional and unique in nature.
- There are no predefined procedures available to solve these problems and a new analysis is required for each occurrence.

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- In top level managers are usually faced with more such unstructured decision making situations.
- They the strategic decision are non-repetitive vital and important and aim of determining or changing the ends or means of the enterprise.
- Unstructured decisions are not simple.
- They are usually quite complex in nature. So, there is no tried and true method of handling them.
- Unstructured decisions are those in which the decision makers must provide judgment evaluation and insight into the problem definition.
- The risk involved in taking decisions to solve the problems in this is usually high.
- Exp. capital budgeting.

Features of unstructured decision:-

These decisions cannot be delegated.

The cost of taking such decisions is quite high. Compared to structured decisions.

FORMAL VS INFORMAL SYSTEM

Basis of difference	Formal Organization	Informal Organization
Meaning	Formal Organization may be defined as such organization in which authority, responsibility and account-ability of each member are clearly defined	On the other hand, informal organization may be defined as such organization in which authority, responsibility and account-ability of each member are not clearly defined.
Objectives	The purpose or objective of establishing formal organization is to achieve Pre-determined goals of an enterprise	Where as, the objective of establishing informal organization is just to fulfill the psychological and social needs of its members
Stability	Formal organization is generally more stable in comparison to informal organization, because it is established according to proper rules and regulations for achieving certain goals.	On the other hand, informal organization is not as stable as formal organization, because it is established, in the lack of proper rules and regulations.
Need	Formal organization is generally more needful to every organization, in comparison to informal organization due to stability.	On the other hand, informal organization is not as essential to every organization as formal organization due to absence of proper suitability.
Size	Formal organization is generally too large in size, in comparison to informal organization.	On the other hand, informal organization is generally too small, in comparison to formal organization.

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Establishment	Formal organization is established on the basis of proper rule and regulation, where authority, responsibility and accountability of each member are clearly defined	On the other hand, informal organization is established spontaneously. It doesn't require any rules and regulation to emerge
Types of Communication	In formal organization generally written or formal communication takes place to express the orders, views and feedback etc.	On the other hand, in informal organization generally oral or informal communication takes place to express the orders, views and feedback etc.

ANALYSIS & DESIGN OF INFORMATION SYSTEM:

Systems development is systematic process which includes phases such as planning, analysis, design, deployment/Implementation, and maintenance.

- Systems analysis
- Systems design

Systems Analysis

It is a process of collecting and interpreting facts, identifying the problems, and decomposition of a system into its components.

System analysis is conducted for the purpose of studying a system or its parts in order to identify its objectives. It is a problem solving technique that improves the system and ensures that all the components of the system work efficiently.

Systems Design

It is a process of planning a new business system or replacing an existing system by defining its components or modules to satisfy the specific requirements. Before planning, you need to understand the old system thoroughly and determine how computers can best be used in order to operate efficiently.

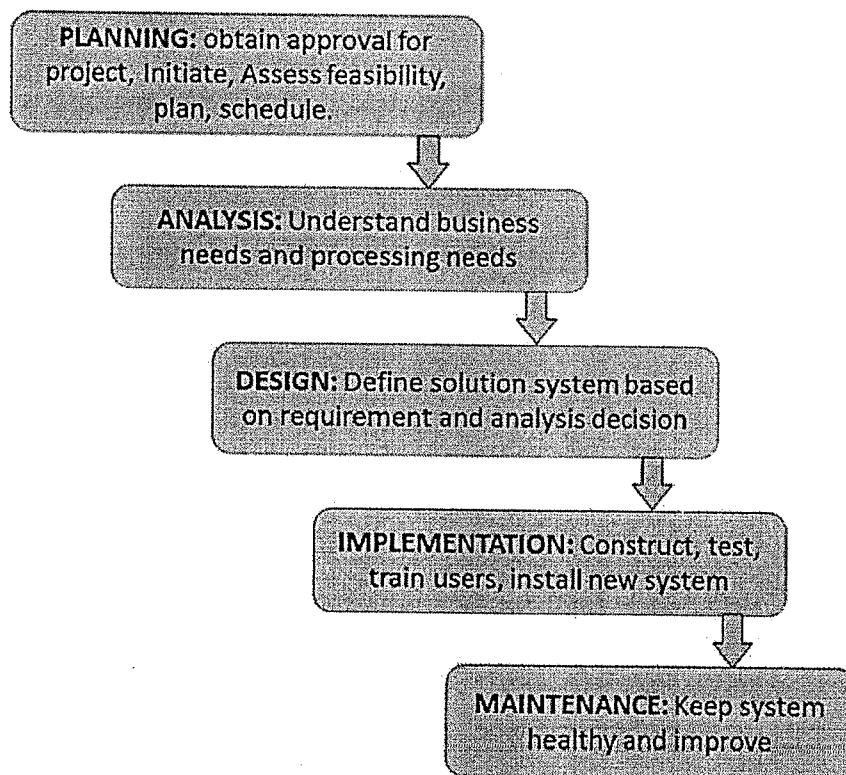
System Development Life Cycle (SDLC)

System Development Life Cycle (SDLC) is a conceptual model which includes policies and procedures for developing or altering systems throughout their life cycles.

SDLC is used by analysts to develop an information system. SDLC includes the following activities –

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- requirements
- design
- implementation
- testing
- deployment
- operations
- maintenance



Planning

- Define the problem and scope of existing system.
- Overview the new system and determine its objectives.
- Confirm project feasibility and produce the project Schedule.

Analysis and Specification

- Gather, analyze, and validate the information.
- Define the requirements and prototypes for new system.

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- Evaluate the alternatives and prioritize the requirements.
- Examine the information needs of end-user and enhances the system goal.

System Design

- Includes the design of application, network, databases, user interfaces, and system interfaces.
- Create a contingency, training, maintenance, and operation plan.
- Finally, prepare a design document which will be used during next phases.

Implementation

- Implement the design into source code through coding.
- Combine all the modules together into training environment that detects errors and defects.
- A test report which contains errors is prepared through test plan that includes test related tasks such as test case generation, testing criteria, and resource allocation for testing.
- Integrate the information system into its environment and install the new system.

Maintenance/Support

- Include all the activities such as phone support or physical on-site support for users that is required once the system is installing.
- Implement the changes that software might undergo over a period of time, or implement any new requirements after the software is deployed at the customer location.
- Maintenance and support may be needed for a longer time for large systems and for a short time for smaller systems.

Limitation of MIS

1. **Aggression** - The people may hit back at the system and may even sabotage it by using equipment incorrectly by putting incomplete information into the system or buy actual destruction of hardware or software.
2. **Projection** - It is a psychological mechanism of blaming difficulties on someone or something else. When employees blame the **management information system** for problems caused by human error or other factors unrelated to the system, projection is taking place.
3. **Avoidance** - It occurs when individuals defend themselves by withdrawing from or avoiding a frustrating situation. Managers may avoid the system by ignoring its output, in favour of their own information sources.

Questions from this Chapter

- Define MIS?
- What is Management?
- What is information?
- What is system?
- Briefly explain characteristics of MIS?
- Explain Formal vs Informal System?
- Explain Simon's model of Decision making?
- Explain the framework for understanding MIS(Levels of Management)?
- Briefly Explain analysis and design of an information system?

Chapter 2: Introduction to E-commerce

E-commerce -- electronic commerce or EC -- is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet.

History of e-commerce

The beginnings of e-commerce can be traced to the 1960s, when businesses started using Electronic Data Interchange (EDI) to share business documents with other companies. In 1979, the American National Standards Institute developed ASC X12 as a universal standard for businesses to share documents through electronic networks.

After the number of individual users sharing electronic documents with each other grew in the 1980s, the rise of eBay and Amazon in the 1990s revolutionized the e-commerce industry. Consumers can now purchase endless amounts of items online.

Types of e-commerce

E-commerce comes in six basic types:

- Business-to-Business (B2B)
- Business-to-Consumer (B2C)
- Consumer-to-Consumer (C2C)
- Consumer-to-Business (C2B).
- Business-to-Administration (B2A)
- Consumer-to-Administration (C2A)

Business-to-business (B2B) e-commerce refers to the electronic exchange of products, services or information between businesses. Examples include online directories and product and supply exchange websites that allow businesses to search for products, services and information and to initiate transactions through e-procurement interfaces.

Business-to-consumer (B2C) Business to consumer (B2C) refers to the transactions conducted directly between a company and consumers who are the end-users of its products or services. The business to consumer as a business model differs significantly from the business-to-business model, which refers to commerce between two or more businesses.

Consumer-to-consumer (C2C) is a type of e-commerce in which consumers' trade products, services and information with each other online. These transactions are generally conducted through a third party that provides an online platform on which the transactions are carried out.

Consumer-to-business (C2B) is a type of e-commerce in which consumers make their products and services available online for companies to bid on and purchase. This is the opposite of the traditional commerce model of B2C.

In other words: Customer to Business (C2B), sometimes known as Consumer to Business, is the most recent E-Commerce business model. In this model, individual customers offer to sell products and services to companies who are prepared to purchase them.

Business-to-administration (B2A) refers to transactions conducted online between companies and public administration or government bodies. Many branches of government are dependent on e-services or products in one way or another, especially when it comes to legal documents, registers, social security, fiscals and employment. Businesses can supply these electronically. B2A services have grown considerably in recent years as investments have been made in e-government capabilities.

Commerce & the Trade Cycle:

Trade Cycle: is an another term of business cycle. A trade cycle refers to fluctuations in economic activities especially in employment, output and income, prices, profits etc. It has been defined differently by different economists.

The e-Commerce Trade Cycle:

1. A trade cycle is the series of exchanges, between a customer and supplier, which take place when a commercial exchange is executed. A general trade cycle consists of:

Pre-Sales: Finding a supplier and agreeing the terms.

Execution: Selecting goods and taking delivery.

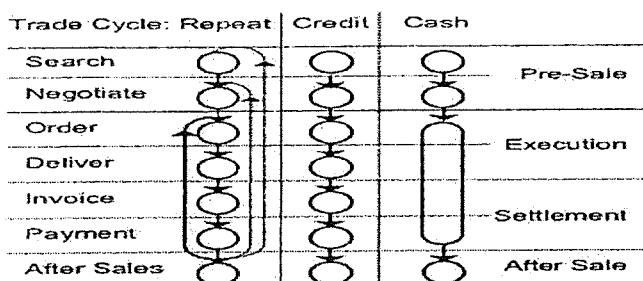
Settlement: Invoice (if any) and payment.

After-Sales: Following up complaints or providing maintenance.

2. For business-to-business transactions the trade cycle typically involves the provision of credit with execution preceding settlement whereas in consumer-to-business these two steps are typically co-incident. The nature of the trade cycle can indicate the e-Commerce technology most suited to the exchange.
3. Commercial transactions that are repeated on a regular basis, such as supermarkets replenishing their shelves, is one category of trade cycle. EDI is the e-Commerce technology appropriate to these exchanges,

Generic Trade Cycle can be identified by :

Generic trade cycles



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Regular Repeat transaction (repeat transaction)

Irregular transaction where execution and settlement are separated (credit transaction) Irregular transaction where execution and settlement are combined (cash transaction)

Note

1. Consumer transactions tend to be once-off (or at least vary each time) and payment is made at the time of the order. Internet e-Commerce is the technology for these exchanges.
2. The generic trade cycle is the non-repeating commercial trade cycle and Internet e-Commerce or an electronic market is the appropriate e-technology.

Electronic Markets: (EM)

Electronic markets (or electronic marketplaces) are information Systems (IS) which are used by multiple separate organizational entities within one or multiple tiers in economic value chains. In analogy to the market concept which can be viewed from a macroeconomic as well as from a microeconomic perspective, electronic markets denote networked forms of business with many possible configurations.

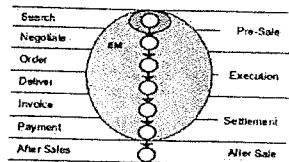
First, the topology of electronic markets may be centralized or decentralized in nature. Centralized electronic markets are hubs which often provide services to their participants. Decentralized settings involve sequential relationships within value chains which often are found when electronic messages are exchanged directly between businesses (electronic data interchange, EDI).

Note

- It increases the efficiency of the market
- It reduces the search cost for the buyer & makes it more likely that buyer will continue the search until the best financial markets & they are also used in airline booking system
- It is irregular transaction trade cycle. Example: Airline Booking System

Electronic markets

- ❖ Emphasis on the search phase of the trade cycle
- ❖ Typically an inter-organisational credit trade cycle



- ❖ Limited applications – airline seat bookings and financial sector – the operation of the electronic market is not necessarily in the vendor's interests.

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Electronic Data Interchange: (EDI)

EDI (Electronic Data Interchange) is the transfer of data from one computer system to another by standardized message formatting, without the need for human intervention. EDI permits multiple companies -- possibly in different countries -- to exchange documents electronically. Data can be exchanged through serial links and peer-to-peer networks, though most exchanges currently rely on the Internet for connectivity.

Electronic Data Interchange (EDI) is the electronic exchange of standard business information, in standard formats, between computers. EDI eliminates the need for a paper-based system by providing an electronic link between companies. This reduces data entry tasks and improves business cycle times. The documents likely to be used in EDI are invoices, purchase orders, shipping requests, acknowledgements and payments. EDI is quite different from generic correspondence like e-mail and involves the exchange of specific documents with management and tracking procedures designed to efficiency.

- It is used in trade exchanges
 - It is used for regular repeat transactions
 - It takes quite lot of work to set up systems
 - It is part of schemes for just-in-manufacture and quick response supply
- Example: EDI is used in large market chain for truncation with their suppliers.

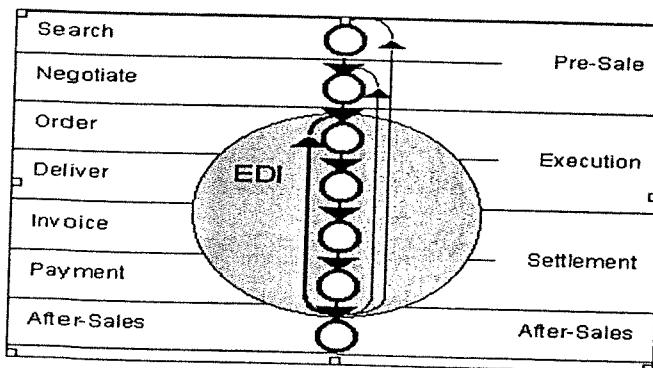


Figure 1: EDI Trade Cycle.

Internet Commerce:

Definition of internet commerce: Broad term covering all commercial activity on the internet, including auctioning, placing orders, making payments, transferring funds, and collaborating with trading partners. Internet commerce is not a synonym for electronic commerce (e-commerce) but one of its subsets.

The first stage

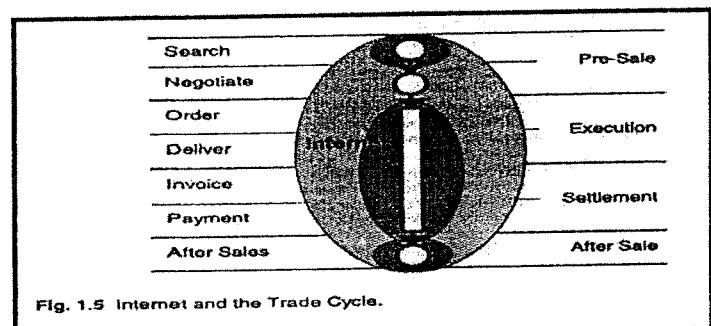
- ❖ Advertising appropriate goods and services
- ❖ Internet sites offer only information & any further steps down the trade cycle are conducted on the telephone

The Second stage

- ❖ An increasing no. of sites offer facilities to execute & settle the transaction
- ❖ Delivery may be electronic or by home delivery depending on the goods and services

The final stage

- ❖ After-sales service
- ❖ On-line support & On-Line services.



Intra-business

- Intra-business is the state of business within the organization. It includes how departments work together to meet organizational goal.
- E-commerce can be done not only between business partners but also within organizations. Such activity is referred to as intra business EC or in short, intra business.
- Intra business can be done between a business and its employees (B2E), among units within the business (usually done as collaborative commerce), and among employees in the same business.
- E-Commerce between and among Corporate Employees: Many large organizations allow employees to post classified ads on the company intranet, through which employees can buy and sell products and services from each other.

Example: insurance policy

E-commerce Portal:

A **portal content business model** is a free subscription website that aggregates content from multiple sources. **Portals** are intended to build and feed an audience.

The **business community** has realized the portal solution as an opportunity to develop and maintain integrated and personalized environments for e-commerce.

Based on the natural behavior of an individual portal, portals have been categorized into

- Business-to-consumer (B2C) portals
- Content management system (CMS) portals
- Business-to-business (B2B) portals.

Business-to-Business Portal:

- This is an additional portal if a B2B relationship exists in the e-commerce portal. A B2B portal provides access for B2B customers to do online ordering, check order status, payment status, and product information.
- A B2B portal also provides functions for users to manage their relationship with suppliers, their purchase orders, tracking of shipment/orders, customer orders, customer payment, bank reconciliation, and inventory management, which support the entire supply-chain for a B2B model relationship.

Business-to-Consumer Portal:

- This portal provides a set of standard portal in an e-commerce Web site. Portal include Web site front section, product section, search engine section, contact page, shopping cart, recommendation section, and payment section.
- This B2C portal also include a set of e-marketing sections such as tell-a friend portal, news, or mailing list portal, and bookmark us portal.

Content Management System (CMS) Portal:

- This portal is the authoring tools for customizing B2C, CMS and B2B portals. It allows the complete customization of data structure and layout presentation in B2C.
- By utilizing the XML, the portals allow the user to customize the product's data schema. In addition, the user can modify or create additional static portal.

E-Governance

Definition: E-governance, expands to **electronic governance**, is the integration of **Information and Communication Technology (ICT)** in all the processes, with the aim of enhancing government ability to address the needs of the general public. The basic purpose of e-governance is to simplify processes for all, i.e. government, citizens, businesses, etc. at National, State and local levels.

Benefits of E-governance

- Reduced corruption
- High transparency
- Increased convenience

- Growth in GDP
- Direct participation of constituents
- Reduction in overall cost.
- Expanded reach of government

Types of Interactions in E-Governance

1. **G2G (Government to Government)**: When the exchange of information and services is within the periphery of the government, is termed as G2G interaction. This can be both horizontal, i.e. among various government entities and vertical, i.e. between national, state and local government entities and within different levels of the entity.
2. **G2C (Government to Citizen)**: The interaction amidst the government and general public is G2C interaction. Here an interface is set up between government and citizens, which enables citizens to get access to wide variety of public services.
3. **G2B (Government to Business)**: In this case, the e-governance helps the business class to interact with the government seamlessly. It aims at eliminating red-tapism, saving time, cost and establish transparency in the business environment, while interacting with government.
4. **G2E (Government to Employees)**: The government of any country is the biggest employer and so it also deals with employees on a regular basis, as other employers do in private sector.

E-Learning and Knowledge Building

is the process of creating, sharing, using and managing the knowledge and information of an organisation. It refers to a multidisciplinary approach to achieving organizational objectives by making the best use of knowledge.

- Understanding eLearning is simple. E-Learning is learning utilizing electronic technologies to access educational curriculum outside of a traditional classroom. In most cases, it refers to a course, program or degree delivered completely online.
- There are many terms used to describe learning that is delivered online, via the internet, ranging from Distance Education, to computerized electronic learning, online learning, internet learning and many others.
- Benefits of eLearning: Your schedule, your pace, your place. If you can maintain the necessary self-discipline, the benefits of eLearning are almost too numerous to count. You can cover the material when you have time, go over it as often as you need, all without traveling to the classroom.
- The Knowledge Building (KB) theory was created and developed by **Carl Bereiter** and **Marlene Scardamalia** for describing what a community of learners needs to accomplish in order to create knowledge.

Scope of E-Commerce : E-Commerce creates new opportunities for Entrepreneurial start-ups. Ease of internet access, safe and secure payment modes coupled with aggressive marketing by E-commerce Giants has revolutionized this segment. Rapid development in mobile technology has given way to mobile commerce with many E-commerce companies shifting to app only model

Basic advantages of E-commerce which is going to lead its success

1. Time saving
2. Environment friendly
3. Saves space for physical stores and expenses related to it
4. Round the clock availability
5. Unlimited business opportunity.etc

QUESTIONS

1. What is E-Commerce?
2. What is EDI?
3. What is Trade Cycle?
4. Explain Trade Cycle?
5. Explain Types of E-Commerce
6. Explain scope of e-commerce
7. What is e-governance? Benefits of e-governance
8. Explain EDI

CHAPTER NO -3

Introduction to Tally ERP9 GST

Unit1 : Introduction to Accounting.

Accounting, as an information system is the process of identifying, measuring and communicating the economic information of an organization to its users who need the information for decision making. It identifies transactions and events of a specific entity.

American Institute of Certified Public Accountants (AICPA) which defines accounting as “the art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events, which are, in part at least, of a financial character and interpreting the results thereof”.

Objective of Accounting:

Objective of accounting may differ from business to business depending upon their specific requirements. However, the following are the general objectives of accounting.

- i) **To keeping systematic record:** It is very difficult to remember all the business transactions that take place. Accounting serves this purpose of record keeping by promptly recording all the business transactions in the books of account.
- ii) **To ascertain the results of the operation:** Accounting helps in ascertaining result i.e., profit earned or loss suffered in business during a particular period. For this purpose, a business entity prepares either a Trading and Profit and Loss account or an Income and Expenditure account which shows the profit or loss of the business by matching the items of revenue and expenditure of the same period.
- iii) **To ascertain the financial position of the business:** In addition to profit, a businessman must know his financial position i.e., availability of cash, position of assets and liabilities etc. This helps the businessman to know his financial strength. Financial statements are barometers of health of a business entity.
- iv) **To know the liquidity position:** Financial reporting should provide information about how an enterprise obtains and spends cash, about its borrowing and repayment of borrowing, about its capital transactions, cash dividends and other distributions of resources by the enterprise to owners and about other factors that may affect an enterprise's liquidity and solvency.
- v) **To protect business properties:** Accounting provides up to date information about the various assets that the firm possesses and the liabilities the firm owes, so that nobody can claim a payment which is not due to him.

Users of Accounting Information.

Internal Users:

- Owners
- Managers
- employees & their representatives

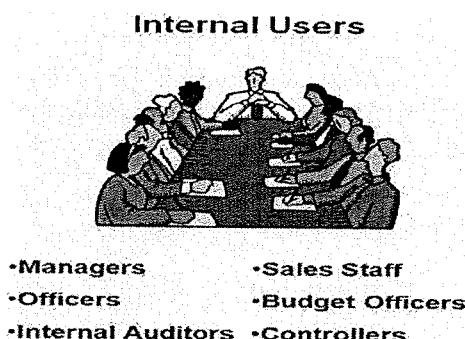
External Users:

- Governments
- Inland revenue (taxation)
- Trade & Industry (companies regulation)
- Environment
- Shareholders/investors
- Potential investors
- Creditors & suppliers
- Debtors & customers
- Competitors.

Accounting information helps users to make better financial decisions. Users of financial information may be both internal and external to the organization.

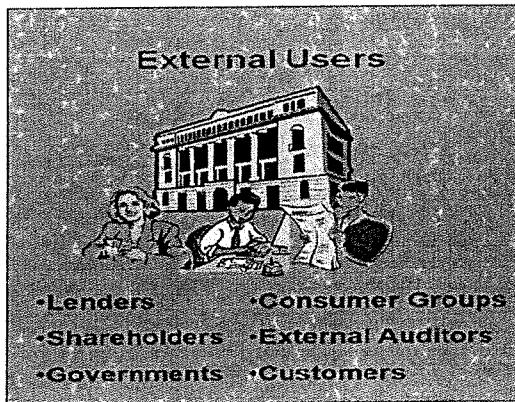
Internal users of accounting information include the following:

- **Management:** for analyzing the organization's performance and position and taking appropriate measures to improve the company results.
- **Employees:** for assessing company's profitability and its consequence on their future remuneration and job security.
- **Owners:** for analyzing the viability and profitability of their investment and determining any future course of action.



Accounting information is presented to internal users usually in the form of management accounts, budgets, forecasts and financial statements.

External users of accounting information include the following:



- **Creditor:** for determining the credit worthiness of the organization. Terms of credit are set according to the assessment of their customers' financial health. Creditors include suppliers as well as lenders of finance such as banks.
- **Tax Authorities:** for determining the credibility of the tax returns filed on behalf of the company.
- **Investors:** for analyzing the feasibility of investing in the company. Investors want to make sure they can earn a reasonable return on their investment before they commit any financial resources to the company.
- **Customers:** for assessing the financial position of its supplier which is necessary for a stable source of supply in the long term.
- **Regulatory Authorities:** for ensuring that the company's disclosure of accounting information is in accordance with the rules and regulations set in order to protect the interests of the stakeholders who rely on such information in forming their decisions.

External users are communicated accounting information usually in the form of financial statements.

Basics of Accounting Terms:

2.1 Entity.

ACCOUNTING ENTITY is an organization, institution or being that has its own existence for legal or tax purposes. An accounting entity is often an organization with an existence separate from its individual members--for example, a corporation, partnership, trust, etc.

2.2 Event.

External or internal transaction or change that is recorded in the double-entry bookkeeping system as a debit or credit entry. These are happenings, which are of some relevance important to an entity. For eg: Raw Materials purchased for use in production process ,goods sold to a customer, salary paid to staff etc.,

2.3 Business Transaction.

An economic event that initiates the accounting process of recording it in a company's accounting system.

Business transactions are the interactions between businesses and their customers, vendors and others with whom they do business. Transactions can be very simple, like buying a newspaper, or extremely complex, taking a long time and involving many companies or agencies. New technologies and management approaches are developing around the management of business transactions.

Definition

The accounting definition of a business transaction, according to the online Business Dictionary, is "an economic event that initiates the accounting process of recording it in a company's accounting system." This is the official definition. However, selling an item at a garage sale where no accounting system is in place also can be a business transaction.

2.4 Voucher.

Written instrument that serves to confirm or witness (vouch) for some fact such as a transaction. Commonly, a voucher is a document that shows goods have been bought or services have been rendered, authorizes payment, and indicates the ledger account(s) in which these transactions have to be recorded.

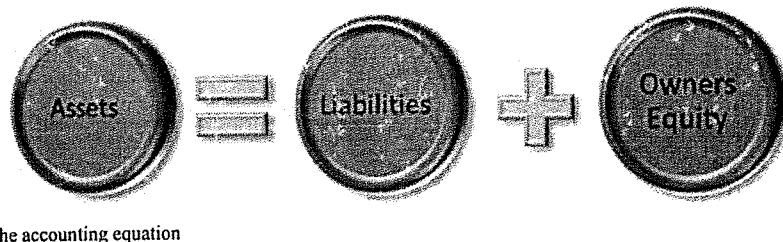
2.5 Entry.

A written record of a commercial transaction. This is the record in the books of account in respect of a business transaction. An entry is made on the basis of a voucher.

2.6 Asset.

"An asset is a resource controlled by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise."

It is important to understand that in an accounting sense, an asset is not the same as ownership. Now while the business has control over these assets it is not the ultimate owner of their inherent monetary value. Because, we also saw that if the business ceased trading and sold these assets, then the money would be used to first pay out the obligations of the business (liabilities) with the remaining money going to the owners (Owners equity). This is why the accounting equation states:



The accounting equation

Types of assets in accounting

Assets are categorized in different ways. Firstly they can be split between tangible and intangible. Tangible assets are those you can physically touch (i.e. land, buildings, equipment ...) and intangible assets you can't touch but they still have a monetary value and a business can control them. (i.e. patents, trademarks, copyrights, franchises, goodwill, websites ...). The second way in which assets are categorized is how they are represented on the Statement of Financial Position (or Balance Sheet) i.e. as current assets and non-current assets (or fixed assets)

Current assets

Current assets are cash and other assets that are expected to be converted to cash, sold or consumed either within a year or in the operating cycle (whichever is longer). These asset values continually change in the normal course of business activity. There are 5 major sub-groups including:

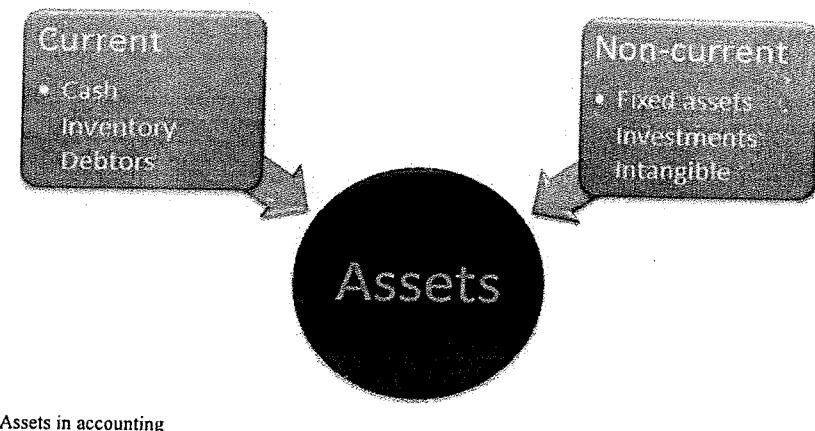
- **Cash and cash equivalents** — includes currency, petty cash, bank deposit accounts and negotiable instruments (e.g., money orders, cheque, bank drafts).
- **Short-term investments** — include securities bought and held for sale in the near future to generate income on short-term price differences (trading securities).
- **Accounts receivables** — money owed to the business from its customers who purchased goods and/or services on account.
- **Inventory** — merchandise held for the purpose of selling to customers. Also includes work-in-progress for a manufacturing business.
- **Prepaid expenses** — expenses paid in advance. They still have asset value because the value has not yet been exhausted or used.

Non-current/fixed assets

Non-current or fixed assets have value beyond the next 12 months and do not constantly change in value like the current assets do. They are classified as such, as long as they remain for use within the business and are not items that are purchased with the intent to sell.

- **Fixed asset** accounts may include land, buildings, furniture, fixtures, equipment, vehicles, computers, furniture and appliances, .
- **Long-term investments** are investments that are held for many years and are not intended to be disposed of in the near future. i.e. bonds, common stock, or long-term notes.

- **Intangible assets** are items of economic value that are not physical in nature i.e. Patents, goodwill and trademarks.



2.7 Liabilities.

"Liabilities" is the plural of "liability."

In accounting terms, a liability is a debt or obligation that a company must pay.

Liabilities are recorded on a company's balance Sheet and can include accounts payable, taxes, wages, accrued expenses, and deferred revenues.

Current Liabilities and Long Term Liabilities.

Current Liabilities:

In accounting terms, current liabilities are debts and obligations that a company must pay in the short-term (within the next twelve months.)

Long term Liabilities:

Long-term liabilities are a category of debts that appear on the company's balance sheet.

Long-term liabilities differ from current liabilities because they are debts that do not need to be repaid in the current year.

Long-term liabilities are debts that will be repaid in the next year, or longer.

2.8 Capital.

This is the amount which is invested in a business by its owner. Capital is increased by the amount of profit earned by the business and the fresh amount introduced into the business by the

owner. Capital is decreased by the amount of losses made by the business and the amount withdrawn from the business by the owner. Capital represents the owner's claim on the assets of the business. It is also called Owner's Equity or Net assets or Net Worth.

2.9 Drawings.

We use drawing many times in financial accounting .Drawing here means any amount withdraw from business for personal use. Not only cash but if we withdraw any product from business or any asset of business for personal use that will be drawing. It surely reduces the capital of any business. So business man must record drawing in his books so that accountant can calculate correct profit or loss of business man .

2.10 Purchases.

This is the amount of goods bought by a business for being resold to customers. It could also be bought for use in production carried out by business. For eg: If 50 kgs of cotton are bought at Rs. 10 per kg for cash, the amount of cash purchases is Rs.500. Again if 20 Kgs of cotton is bought at Rs.10 per kg on Credit, the amount of credit purchases is Rs. 200.

2.11 Sales.

This is the amount of goods or services sold by entity to its customers. For e.g. when a business sells 10 kgs of wheat at Rs. 5 per Kg for cash, the total amount of Cash Sales is Rs. 50. Again if 100 Kgs of wheat are sold at Rs. 5 per Kg on Credit, the amount of credit sales is Rs. 500.

2.12 Inventory.

It is Commonly called Stock. Stock means goods which are held in business for sale to customers or being used in the production process carried out by the business. Stock consist of Raw Materials, Semi-finished goods and finished Goods. We should be familiar with the terms Opening Stock and closing Stock.

Opening stock means goods which are lying unsold at the beginning of the accounting period.

Closing stock means goods which are lying unsold at the end of the accounting period.

2.13 Trade Debtors.

A debtor is a person or entity that *owes* money. In other words, the debtor has a debt or legal obligation to pay an amount to another person or entity.

This is the person to whom goods have been sold on credit by the business and from whom money is due to the business.

2.14 Trade Creditors.

A party to whom money is owed. This is the person from whom goods have been purchased on credit by the business and to whom money is due by the business.

2.15 Expenditure.

Payment of cash or cash-equivalent for goods, or service, or a charge against available funds in settlement of an obligations evidenced by an invoice, receipt, voucher, or other such document.

This is the cost of buying an asset or goods or service. It results in outflow of assets or creation of a liability. An expenditure is measured by its cost.

2.16 Incomes.

Accounting income is defined as an estimate of performance in the operations of a company. It is influenced by financing and investing decisions. Accounting income or loss generally recognizes realized gains and losses, and does not recognize unrealized gains and losses.

This is the increase in economic benefits during an accounting period. Income could arise in the form of inflow of assets into the business or decrease of liabilities of the business.

2.17 Net Profit.

A company's total earnings (or profit). Net income is calculated by taking revenues and adjusting for the cost of doing business, depreciation, interest, taxes and other expenses. This number is found on a company's income statement and is an important measure of how profitable the company is over a period of time.

It means excess of income over expenses. It increases Owner's Equity.

A net profit is earned if total expenditure is less than the sales figure.

2.18 Net Loss.

The result that occurs when expenses exceed the income or total revenue produced for a given period of time. For tax purposes, net losses in one time period can be used to counteract the income/gains generated in another time period. Under tax law, this loss can be carried back as far as two years.

It means excess of expenses over income. It decreases Owner's Equity. Amount by which total of costs and expenses exceeds total revenue in an accounting period.

Unit: 3 Classification of Accounts:

Classification of Accounts:

We can classify accounts in two different ways. These are:

- 1) Traditional classification of accounts
- 2) Modern classification of accounts

Traditional Classification of Accounts:

This is very old method of classifying accounts and is not used in most of the advanced countries. Under this method, accounts are classified into four types. These are:

- Personal accounts
- Real accounts
- Nominal accounts
- Valuation accounts(optional)

These four types of accounts are briefly explained below:

Personal Accounts:

These accounts show the transactions with the customers, suppliers, money lenders, the bank and the owner. A business may have many credit transactions with the above persons or organizations. A separate account is to be prepared for each of them. Persons or organizations with whom the business has credit transactions are either debtors or creditors. If they have to give some money to the firm, they are called debtors. Conversely, if the firm is to pay them some money they are known as creditors. The main purpose of preparing personal accounts is to ascertain the balances due to or due from persons or organizations.

Real Accounts:

These accounts are accounts of assets and properties such as land, building, plant, machinery, patent, cash, investment, inventory, etc. When a machinery is purchased for cash, the two accounts involved are machinery and cash - both are real accounts. But if the same machine is purchased from Z & Co. on credit, the two accounts involved will be those of machinery and Z & Co., the former being a real account and the latter being a personal account.

Nominal Accounts:

These are the accounts of incomes, expenses, gains and losses. Examples of nominal accounts are wages paid, discount allowed or received, purchases, sales, etc. These accounts generally accumulate the data required for the preparation of income statement or trading and profit and loss account.

Valuation Accounts(optional):

These are the accounts of provision for depreciation and provision for doubtful debts. Where fixed assets are maintained in the books of accounts at original cost, to reflect the actual book value of the assets, a provision for depreciation account on the credit is maintained. In the balance sheet, it is shown as deduction from the original cost of the asset. Similarly, if the debtors' personal accounts are retained at total amount due, a valuation account on the credit - provision for doubtful debts is required. In the balance sheet, it is shown as a reduction from sundry debtors account to reflect estimated realizable value.

Example:

Classify the following into real, nominal, personal and valuation accounts:

- Plant and machinery - Real account
- Purchases - Nominal account
- Investment - Real account
- Bank- Personal account
- Provision for bad and doubtful debt - Valuation account
- Tata Iron & steel Co. - Personal account
- Rent - Nominal account
- Land and Building - Real account
- Carriage outward - Nominal account
- Capital - Personal account
- Leasehold - Real account
- Trademark - Real account
- Return outwards- Nominal account
- Import duty - Nominal account
- Provision for depreciation - Valuation account

Modern Classification of Accounts:

Modern accountants classify accounts as follows:

- Assets accounts
- Liabilities accounts
- Capital accounts
- Revenue accounts
- Expenditure accounts
- Withdrawal accounts.

Rules of Debit and Credit:

Rules of Debit and Credit When Accounts are Classified According to Traditional Classification of Accounts:

Debit and credit are simply additions to or subtraction from an account. In accounting, debit refers to the left hand side of any account and credit refers to the right hand side. Asset, expenses and losses accounts normally have debit balances; liability, income and capital accounts normally have credit balances.

The term debit is derived from the latin base debere (to owe) which contracts to the "Dr" used in journal entries to refer to debits. Credit comes from the word credere (that which one believes in, including persons, like a creditor), which contracts to the "Cr." used in journal entries for a credit.

Personal Accounts:

Debit the account of the person who receives something and credit the account of the person who gives something.

Real Accounts:

Debit the account of the asset/property which comes into the business or addition to an asset, and credit the account which goes out of the business. When furniture is purchased for cash, furniture account is debited (which comes into the business) and cash account is credited (which goes out of the business).

Nominal Accounts:

Debit the accounts of expenses and losses, and credit the accounts of incomes and gains. When wages are paid, wages account is debited (expense) and cash account is credited (asset goes out).

Valuation Account(optional):

Debit the account when the account is to be reduced and credit the account when the account is to be increased.

Rules of Debit and Credit at a Glance

Types of Account	Account to be Debited	Account to be credited
Personal account	Receiver	Giver
Real account	What comes in	What goes out
Nominal account	Expense and loss	Income and gain
Valuation account	When account to be decrease.	When account to be increase

"The Golden Rule":

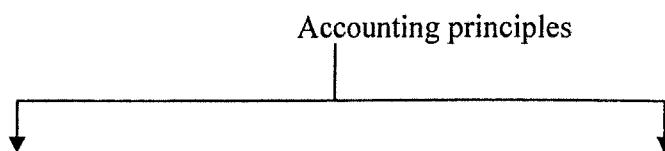
GOLDEN RULES OF ACCOUNTING

**REAL ACCOUNTS DEBIT WHAT COMES IN
 CREDIT WHAT GOES OUT**

**PERSONAL ACCOUNTS DEBIT THE RECEIVER
 CREDIT THE GIVER**

**NOMINAL ACCOUNTS DEBIT ALL EXPENSES AND LOSSES
 CREDIT ALL INCOMES AND REVENUES.**

Accounting principles: accounting principles based on certain concepts, conventions and tradition have been evolved by accounting authorities and regulators and are followed internationally



Accounting Concepts 1. Business entity concept 2. Money measurement concept 3. Dual aspect concept 4. Going concern concept 5. Cost concept 6. Accounting year concept 7. Matching concept 8. Realisation concept	Accounting Conventions 1. Conservatism 2. Consistency 3. Materiality 4. Full Disclosure
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Accounting Concepts

1. **Business entity concept:** A business and its owner should be treated separately as far as their financial transactions are concerned
2. **Money measurement concept:** only business transactions that can be expressed in terms of money are recorded in accounting though records of other types of transactions may be kept separately
3. **Dual aspect concept:** for every credit, a corresponding debit is made. The recording of a transaction is complete only with this dual aspect
4. **Going concern concept:** In accounting a business is expected to continue for a fairly long time and carry out its commitments and obligations. This assumes that the business will not be forced to stop functioning and liquidate its assets at low prices.
5. **Cost concept:** The fixed assets of a business are recorded on the basis of their original cost in the first year of accounting subsequently these assets are recorded minus depreciation .
6. **Accounting year concept:** Each business chooses a specific time period to complete a cycle of the accounting process- Eg: monthly, quarterly, annual.
7. **Matching concept:** This principle dictates that for every entry of revenue recorded for correctly calculating profit or loss in a given period.
8. **Realisation concept:** According to this concept, profit is recognized only when it is earned. An advance or fee paid is not considered a profit until the goods or service have been delivered to the buyer.

Accounting Conventions

1. **Conservatism:** is the convention by which when two values of a transaction are available, the lower-value transaction is recorded. By this convention, profit should never be overestimated and there should be a provision for losses.
2. **Consistency:** prescribed the use of the same accounting principles from one period of an accounting cycle to the next, so that the same standards are applied to calculate profit and loss.
3. **Materiality:** means that all material facts should be recorded in accounting. Accounts should record important data and leave out insignificant information.
4. **Full Disclosure:** entitles the revelation of all information, both favorable and detrimental to a business enterprise and which are of material value to creditors and debtors.

Advantages of Tally

1. Accounting helps to maintain the business records in a systematic manner
2. It helps in the preparation of financial statements
3. Accounting information is also used to compare the result of current year with the previous year to analyze the changes.
4. It helps the managers in the decision making process
5. Accounting information can be produced as evidence in the legal matter
6. It helps in valuation of business.

Limitations of accounting

1. The items expressed in monetary terms are recorded in the accountings where as the items which are nonmonetary(EX: investments, profit making) nature not recorded.
2. Sometimes accounting data are recorded on the basis of estimation and which could be inaccurate.
3. Value of money does not remain stable so accounting value does not show true financial results
4. Fixed assets are recorded as the original cost.
5. Accounting can be manipulated and biased.

Fundamentals of Tally.ERP 9:

Introduction and Features of Tally.ERP 9:

Tally.ERP 9 is the world's fastest and most powerful concurrent multi-lingual business accounting and inventory Management software. Tally.ERP 9,designed exclusively to meet the needs of the small and medium businesses, is a fully intergrated,affordable and highly reliable software. Tally.ERP 9 is easy to buy, quick to install, and easy to learn and use. Tally.ERP 9 is Designed to automate and integrate all your business operations, such as sales, finance,purchasing,inventory, and manufacturing.

Features of Tally.ERP 9:

- 1. A leading accounting package:** The first version of Tally was released in 1988 and, through continuous development, is now recognised as one of the leading accounting packages across the world, with over a quarter million customers. Tally's market share is more than 90%.
- 2. No accounting codes:** Unlike other computerised accounting packages which require numeric codes, Tally.ERP 9 pioneered the no accounting codes concept. Tally.ERP 9 users have the freedom to allocate meaningful names in plain English to their data items in the system.
- 3. Complete business solution:** Tally.ERP 9 provides a comprehensive solution to the accounting and inventory needs of a business. The package comprises financial accounting, book-keeping and inventory accounting. It also has various tools to extract, interpret and present data.
- 4. Integrated/ Non-integrated accounting and inventory:** With Tally.ERP 9, the user is able to choose between accounting and accounting with inventory. If accounting with inventory is opted for, the user can choose whether it should be integrated or not.
- 5. Flexible and easy to use:** Tally.ERP 9 is very flexible. It mimics the human thought process, which means that Tally.ERP 9 can adapt to any business need. Tally.ERP 9 users need not change the way their business is run to adapt to the package.
- 6. Speed :** Tally.ERP 9 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 company.
- 7. Power :** Tally.ERP 9 allows the user to maintain multiple companies and with unlimited levels of classification & grouping capabilities. It also allows drill down facility from report level to transaction level
- 8. Flexibility :** Tally.ERP 9 provides flexibility to generate instant reports for any given period (month/year) or at any point of time besides providing the facility to toggle between Accounting & Inventory reports of the same company or between companies.
- 9. Concurrent multi-lingual capability :** Tally.ERP 9 offers you the exclusive capability of maintaining your accounts in any Indian language, viewing them in another language and printing them in yet another Indian language.
- 10. Real time processing :** Immediate posting & updation of books of accounts as soon as the transactions are entered, thereby facilitating instant statements & Reports. It also facilitates real-time multi-user environment.
- 11. Versatility:** Tally.ERP 9 is suitable for a range of organizations, from small grocery stores to large corporations with international locations and operations.

12. Multi-platform availability: Tally.ERP 9 is available on Windows 95, 98, ME, 2000 and NT. It runs on a single PC or on a network. On a network, it supports access via any combination of platforms.

13. Online Help : The Tally.ERP 9 Online Help (Alt+H) provides instant assistance on basic and advanced features or any other relevant topics of Tally.ERP 9.

14. Tally.NET : is an enabling framework which establishes a connection through which the remote user can access the Client's data without copying / transferring the data.

15. Remote Access : Tally.ERP 9 provides remote capabilities to access the data from anywhere and anytime.

16. Control Centre : works as an interface between the user and Tally.ERP 9 installed at different sites and enables the user to centrally configure and administer Site/User belonging to an account.

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

18. Auditor's Edition : Tally.ERP 9 offers a special Auditors' Edition of Tally.ERP 9, which provides auditing and compliance capabilities exclusively for Chartered Accountants.

Some of the new features in Tally.ERP 9 include,

- Remote Access
- Tally.NET (to be read as Tally.NET)
- Simplified Installation process
- New Licensing Mechanism
- Control Centre
- Support Centre
- Enhanced Look & Feel
- Enhanced Payroll Compliance
- Excise for Manufacturers
- Auditors Edition of Tally.ERP 9 (Auditing Capabilities for Auditors)
- Enhanced Tax Deducted at Source.

Facilities with Tally.ERP 9

- ⇒ **Data Import and Export Facility** : You can import or export any particular data from one Company to another Company.
- ⇒ **Audit Facility** : Using this facility you can check the recorded voucher and make modifications as per requirement.
- ⇒ **Budgeting** : Allows you to analyze the variance (difference between actual and Standard) for expenses , income, etc.
- ⇒ **Scenario Management** : Can be used for projected Profit and Loss A/c and Balance Sheet.
- ⇒ **Bank Reconciliation Statement**
- ⇒ **Price List, Ageing Analysis for Stock Item** : Rate of Product can be defined with its quantity.
- ⇒ **Cost Center and Cost Category-wise Account Analysis** : These features are very useful for Unit -wise analysis, for Example: You may want to analyze employee-wise cost, Branch-wise Cost etc.
- ⇒ **Usefulness in Manufacturing Business** : Useful for calculation of Cost of Goods Sold.
- ⇒ **Ratio Analysis, Cash Flow, Funds Flow**
- ⇒ **E-capabilities**
- ⇒ **Foreign Currency** : Useful for calculation of foreign gain and loss using foreign currency.
- ⇒ **Defining the Bill / Voucher Entry Setup.**
- ⇒ **Columnar Reporting related to Stock and Accounts.**
- ⇒ **Adherence of Purchase and Sales procedure such as Order, Challan, Bill.**
- ⇒ **Credit Control** : Credit Control is possible for a Customer.
- ⇒ **Tracking through Receipt / Delivery Notes.**
- ⇒ **Profitability Analysis of Stock.**
- ⇒ **Accounts for...**
 - (a) Indian VAT
 - (b) TDS
 - (c) E-TDS
 - (d) Service Tax

Groups and Ledgers:

Tally.ERP 9 allows you to create Account heads and groups as per your requirements. The flexibility and ease of creating user-defined Account Heads and groups as per nature of business or business practice makes Tally.ERP 9 suitable for businesses across industries,verticals and geographies, without changing the way they do their business.

Tally.ERP 9 follows the Double entry system of Accounting. It records accounting information by debiting and crediting different Ledger Accounts using different voucher types depending upon the nature of transaction. It automatically collates the debit and credit amounts and arrives at the closing balances of each Ledger or Group.

Meaning of a Group:

Groups are collection of Ledgers of the same nature. Account Groups are maintained to determine the hierarchy of Ledger Accounts which is helpful in determining and presenting meaningful and compliant reports.

Tally.ERP 9 has the flexibility of setting user required chart of accounts. You can group the Ledger accounts under the required Groups at the time of creating the chart of accounts or you can alter them at any time.

The Group behavior is classified into Capital or Revenue and more specifically into Assets, Liabilities, Income and Expenditure. The Groups ascertain whether the same will affect Profit and Loss Account which is revenue in nature or Balance Sheet which is capital in nature.

A Discussion on Each of the Reserved Groups

Non Revenue Primary Groups

Capital Account

This records the Capital and Reserves of the company. The ledgers that belong to Capital Accounts are Share Capital, Partners' Capital A/c, Proprietor's Capital Account and so on.

Reserves and Surplus [Retained Earnings]

This contains ledgers like Capital Reserve, General Reserve, Reserve for Depreciation and so on.

Current Assets

Current Assets record the assets that do not belong either to Bank Accounts or to Cash-in-Hand sub-groups.

Bank Accounts

Current account, savings account, short term deposit accounts and so on.

Cash-in hand

Tally.ERP 9 automatically creates Cash A/c in this group. You can open more than one cash account, if necessary.

Note: An account under Cash-in-hand group or Bank Accounts/Bank OCC A/c group is printed as a separate Cash Book in the traditional Cash Book format and does not form part of the Ledger.

Deposits (Asset):

Deposits contain Fixed Deposits, Security Deposits or any deposit made by the company (not received by the company, which is a liability).

Loans & Advances (Asset):

This records all loans given by the company and advances of a non-trading nature (example: advance against salaries) or even for purchase of Fixed Assets. We do not recommend you to open Advances to Suppliers account under this Group. For further details, please refer to the section on Common Errors.

Stock-in-hand:

This group contains accounts like Raw Materials, Work-in-Progress and Finished Goods. The balance control depends on whether you have selected Integrated Account-cum-Inventory option while creating the company. (refer to Company creation section for more details) Let us consider these options:

Integrated Accounts-cum-Inventory:

This option has a significant effect on the Balance Sheet and Profit & Loss Account. If set to Yes, it brings the stock/inventory balance figures from the inventory records and provides a drill down to the Stock registers from the Balance Sheet.

You are not allowed to directly change the closing balance of an account under this group. You are allowed to pass transactions in Inventory records and the account balances are automatically reflected in the Balance Sheet as Closing Stock.

Non-integrated Accounts-cum-Inventory:

If Integrated Account-cum-Inventory option is set to No, it ignores the inventory books figures and picks up manually entered closing stock balances from the ledger account created. This provides the facility to maintain accounts separately and inventory separately.

You are not allowed to pass transactions if your accounts that come under this Group. It allows you to hold opening and closing balances only. Since no vouchers can be passed for these accounts, they are the only accounts for which the closing balances can be directly altered (by an authorised user only).

Sundry Debtors:

For customer accounts refer to common and possible errors in grouping of accounts section.

Current Liabilities:

Accounts like Outstanding Liabilities, Statutory Liabilities and other minor liabilities can be created directly under this group. Sub-groups under Current Liabilities are Duties and Taxes, Provisions and Sundry Creditors

Duties and Taxes:

Duties and Taxes contain all tax accounts like VAT, CENVAT, Excise, Sales and other trade taxes and the total liability (or asset in case of advances paid) and the break-up of individual items.

Provisions:

Accounts like Provision for Taxation, Provision for Depreciation and so on are recorded under Provisions.

Sundry Creditors:

For trade creditors, refer to common and possible errors in grouping of accounts section.

Investments:

Group your investment accounts like Investment in Shares, Bonds, Govt. securities, long term Bank deposit accounts and so on. This allows you to view the total investments made by the company.

Loans (Liability):

Loans that a company has borrowed, typically long-terms loans.

Bank OD Accounts [Bank OCC Accounts]:

Tally.ERP 9 provides you with distinct types of Bank Accounts,

Bank OCC A/c:

To record the company's overdraft accounts with banks. For example, Bill Discounted A/cs and Hypothecation A/cs etc.

Note: An account under Bank OCC A/c group is printed as a separate Cash Book in the traditional Cash Book format and does not form part of the Ledger.

Secured Loans:

Term loans or other long/medium term loans, which are obtained against security of some asset. does not verify the existence of the security. Typical accounts are Debentures, Term Loans, and so on.

Unsecured Loans:

Loans obtained without any security. Example: Loans from Directors/partners or outside parties.

Suspense Account:

In modern accounting, many large corporations use a Suspense Ledger to track the money paid or recovered, the nature of which is not yet known. The most common example is money paid for Traveling Advance whose details will be known only upon submission of the Travelling Allowance bill. Some companies may prefer to open such accounts under Suspense Account.

Loans and Advances (Asset) group:

The Suspense Account is a Balance Sheet item. Any expense account even if it has 'suspense' in its name, it should be opened under Revenue group like Indirect Expenses and not under Suspense Account group.

Miscellaneous Expenses (Asset):

This group is typically used for legal disclosure requirements such as Schedule VI of the Indian Companies Act. It should hold incorporation and pre-operative expenses. Companies would write off a permissible portion of the account every year. A balance remains to an extent that cannot be written off in Profit & Loss Account. Tally.ERP 9 does not show loss, carried forward in the Profit & Loss Account, under this group. The Profit & Loss Account balance is displayed separately in the Balance Sheet

Branch/Divisions:

This maintains ledger accounts of all your company's branches, divisions, affiliates, sister concerns, subsidiaries and so on. Tally.ERP 9 permits Sales and Purchase transactions to take place with accounts opened here. Remember, these are their accounts in your books and not their books of accounts. Just treat them as any other party account. If you wish to maintain the books of a branch/division on your computer, you must open a separate company. (Tally.ERP 9 allows maintenance of multiple company accounts).

Revenue Primary Groups:**Sales Account:**

You can classify your sales accounts based on Tax slabs or type of sales. This also becomes a simple mechanism for preparation of Tax returns.

Examples:

Domestic Sales

Export Sales

Now under Domestic Sales open the following ledgers:

Sales (10%)

Sales (5%)

Sales (exempt)

You can even open an account as Sales Returns under the group Domestic Sales to view your net sales after returns (or the returns may be directly passed through Journal against the specific Sales account).

Note: Do not create customer accounts under this group. For more details, refer to common and possible errors in grouping of accounts section.

Purchase Account

This is similar to sales accounts, except for the type of transactions.

Direct Income [Income Direct]:

These are Non-trade income accounts that affect Gross Profit. All trade income accounts fall under Sales Accounts. You may also use this group for accounts like Servicing, Contract Charges that follow sales of equipment.

For a professional services company, you may not use Sales Account group at all. Instead, open accounts like Professional Fees under this group.

Indirect Income [Income Indirect]:

These are miscellaneous non-sale income accounts. Example: Rent Received and Interest Received.

Direct Expenses [Expenses Direct]

These are manufacturing or direct trading expenses. These accounts determine the Gross Profit of the company

Indirect Expenses [Expenses Indirect]:

All administrative, selling or non-direct expenses.

Profit & Loss Account is a reserved primary account in Tally.ERP 9. You can use this account to pass adjustment entries through journal vouchers. For example, transfer of profit or loss account to Capital or Reserve account.

Common and Possible Errors in Grouping and Account Classification:

Debtor/Creditor classification:

Accounts of parties with whom your company is trading should be opened under any of the following groups (or sub-groups under them):

Sundry Debtors

Sundry Creditors

Branch/Divisions

Sales and Purchase account groups are meant for revenue accounts and are reflected in the Profit & Loss Account. If you open party accounts under these groups, it becomes difficult to pass sales or purchase voucher transactions.

For example, in a sales voucher transaction entry, you must debit an account, which can be sundry debtor, branch/division or even a sundry creditor. Moreover, other facilities like bill-wise allocation and tracking will not be available unless the accounts belong to one of these groups.

Opening two accounts of the same party:

Tally.ERP 9 classifies debtors, creditors and branch/divisions for convenience. This helps you in the process of keeping the accounts of a particular group together during display and analysis. Thus you can pass both sales and purchase entries for a party account placed under Sundry Debtors. Use the classification depending on the most natural group for the party.

For example, parties from whom you buy frequently can be placed under Sundry Creditors, as that is the natural place to look for their account. Tally.ERP 9 does not restrict the accounts from having obverse balances. Thus, a Sundry Debtor can have a credit balance depending on the state of his account.

Therefore, you need not open two accounts for the same party - one under Sundry Debtors and another under Sundry Creditors. Tally.ERP 9 restricts opening of two identical ledger accounts. In such cases, you may decide to circumvent by marking one account as "A & Co - S/Dr" and another "A & Co - S/Cr". This will allow you to have two accounts of the same party under two groups, but you will lose the advantage of analyzing net position at a single instance. It is always better to maintain a single account to obtain best benefits.

Expenditure items are entered under Liabilities group. For example, the expenditure item Rates & Taxes under the group Duties and Taxes.

The group Duties and Taxes is specifically meant to handle taxation liabilities of your company. Rates & Taxes and other statutory expenses should be placed under Indirect Expenses.

Simply adhering to the reserved groups may be sufficient for many organizations. For greater diversity, Tally.ERP 9 allows you to create your own groups, either as sub-groups or primary groups. Groups can be sub-classified to practically an unlimited level, giving you a virtual accounting tree. At the lowest level, of course, would be the ledger account.

Meaning of a Ledger:

A Ledger is the actual account head to which you identify a transaction and must be used in all Accounting Vouchers. Without a ledger we cannot record any transactions.

Ex: Purchase, payments, sales, Receipts, etc, all these accounts heads are ledger Accounts.

All Ledgers have to be classified into Groups. Classification of Ledgers to the appropriate groups is very important. These Groups and Ledgers are classified to Profit & Loss or Balance Sheet. The creation and usage of Groups in Tally.ERP 9 has been explained earlier. Now you will learn how Tally.ERP 9 works with Ledgers.

Pre-defined Groups and Ledgers of Accounts:

By default, Tally.ERP 9 provides a list of Groups called pre-defined groups. The user can create any number of Primary Groups and Sub Groups which are again grouped under a Primary Group/Sub Group.

There are 28 pre-defined Groups in Tally.ERP 9, out of which 15 are Primary Groups and 13 are Sub-Groups.

15 Primary Groups	13 Sub Groups
Branch/Divisions	Bank Accouts.
Capital Account	Bank Od A/c
Current Assets	Cash-in-hand.
Current Liabilities	Deposits (Assets)
Direct Expenses	Duties and Taxes.
Direct Incomes	Loans and advances(Asset).
Fixed Assets	Provisions.
Indirect Expenses	Reserves and Surplus.
Indirect Incomes	Secured Loans.
Investments	Stock-in-hand.
Loans(Liability)	Sundry Creditors.
Misc. Expenses(Asset)	Sundry Debtors.
Purchases Accounts	Unsecured Loans.
Sales Accounts	

Suspense A/c.	
---------------	--

Among the 15 predefined groups, 9 groups are Balance Sheet items which are capital in nature and remaining 6 groups are Profit and Loss a/c items which are Revenue in nature.

13 Sub Groups are classified under the 15 Primary Groups and the appear in the Balance Sheet.

Pre-defined Sub Groups:	Under
Bank Accounts	Current Assets.
Bank OD a/c	Loans (Liability)
Cash in hand	Current Assets
Deposits(Asset)	Current Assets
Duties and Taxes	Current Liabilities
Loans and Advances(Asset)	Current Assets
Provisions	Current Liabilities
Reserves and Surplus	Capital Account
Secured Loans	Loans(Liability)
Stock in Hand	Current Assets
Sundry Creditors	Current Liabilities
Sundry Debtors	Current Assets
Unsecured Loans	Loans(Liability)

Pre-defined Ledgers in Tally.ERP 9:

There are two pre-defined ledgers available in Tally.ERP 9, they are

Cash:

This Ledger is created under the Group Cash-in-hand. You can enter the opening balance as on the date of books beginning from. You can also alter the name and even delete the Ledger

Profit and Loss Account:

This Ledger is created under the Group Primary. Previous year's Profit or Loss is entered as the opening balance for this ledger. The balance entered here is treated as the opening profit/loss and shown in the Balance Sheet as opening balance of Profit and Loss account in the Liabilities side.

You cannot delete this ledger, but you can modify the same.

Creating Group:

In Tally.ERP 9 there are two options for creating Groups:

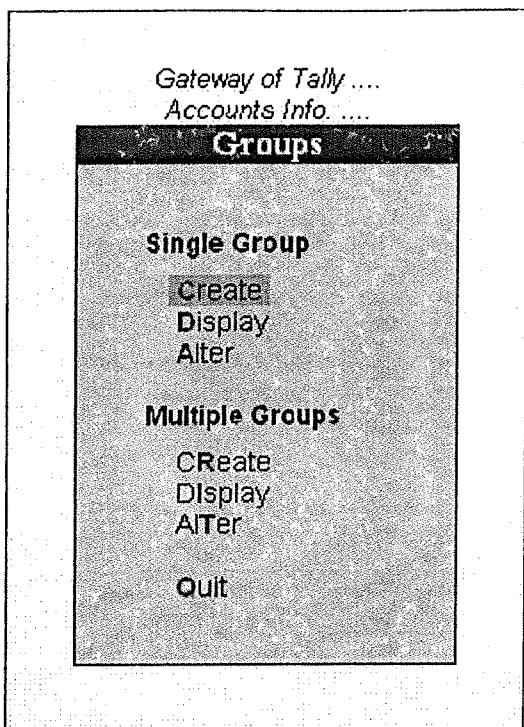
Single Group : We can create only one Group by using Single Group creation screen.

Multiple Groups: We can create multiple Groups by using Multiple Group Creation screen.

Creating a Single Group:

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

Go to Gateway of Tally > Accounts Info. > Groups > Create under Single Group



The Group Creation screen is displayed as shown:

Group Creation	
Name	: Administrative Expenses
(alias)	: Office Expenses
Under	: Indirect Expenses
<input type="button" value="Accept ?"/> <input type="button" value="Yes or No"/>	

Name of Group

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

Alias

Enter an alias name to allow access to the group using the Alias in addition to its name or 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.

Note: If it is a new primary group, select Primary (requirement of a new primary group is very rare, but the option exists). Creation of new Primary Group is not allowed if Allow Advanced entries in Masters is set to No in F12: Configure. You can also create a new Parent Group by using Alt+C.

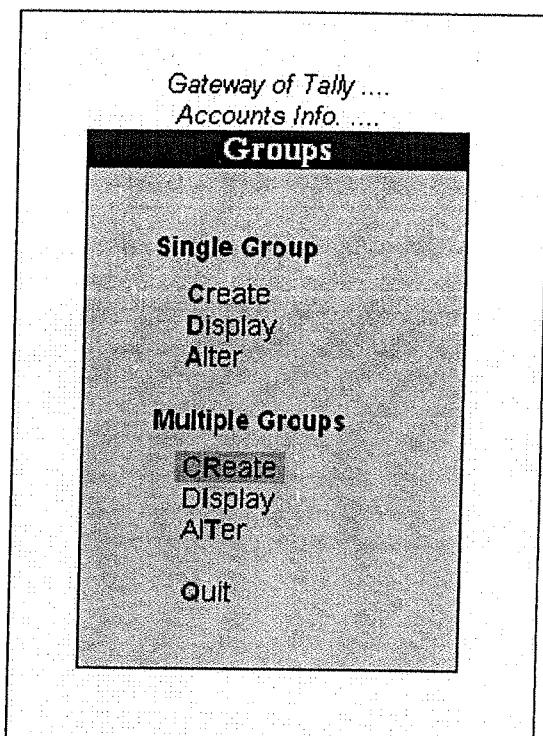
Tally.ERP 9 has the flexibility of creating the related Masters from specified screens

Button	Shortcut Keys	Behaviour
L: Ledgers	Ctrl+L	Navigate to Ledger Creation screen
V: Vch Types	Ctrl+V	Navigate to Voucher Creation Screen

Creating Multiple Group:

Tally.ERP 9 allow you to create Multiple Groups simultaneously, you can create them by pressing Enter on Create under Multiple Groups.

Go to Gateway of Tally > Accounts Info. > Groups > Create (under Multiple Groups):



You can create any number of Groups under an already created/selected Group. In this mode of group creation, the sub-groups will automatically inherit the characteristics of their parent groups.

Multi Group Creation		Company A	Ctrl + M
Under Group	:	Sundry Creditors	
S.No.	Name of Group	Under	
1.	Creditors - Raw Materials		Sundry Creditors
2.	Creditors - Consumables		Sundry Creditors

You can also create any number of Groups under different Groups by selecting All Items in Under Group field.

Multi Group Creation		Category A	Ctrl + M
Under Group	All Items		
S.No.	Name of Group	Under	
1.	Factory Expenses	Direct Expenses	
2.	Staff Welfare Expenses	Indirect Expenses	

Under Group:

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

Name of Group:

Enter the name of the 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.

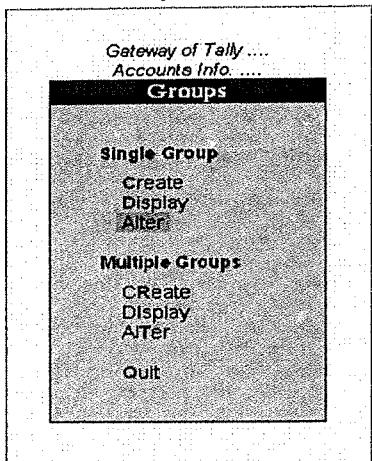
Note: To change individual group behavior created using multiple groups, use single group alter option.

Altering or Modifying Group:

You can alter the Groups in Single mode or Multiple mode by selecting Alter from the menu to change any information. You can change the Name of any reserved group, but its characteristics will remain the same.

Single mode:

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.

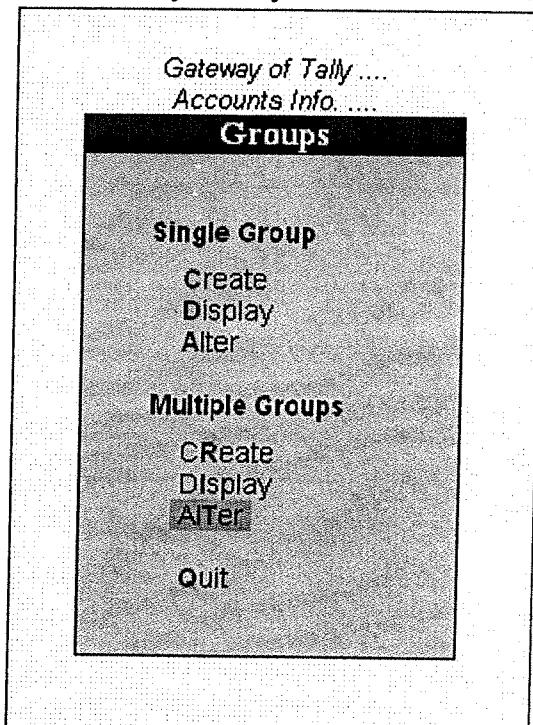
Altering a Single Group

Group Alteration Company A

Name : Administrative Expenses	(alias) : Office Expenses
Under : Indirect Expenses	
<hr/>	
Group behaves like a Sub-Ledger	? <input type="checkbox"/> No
Nett Debit/Credit Balances for Reporting	? <input type="checkbox"/> No
Used for Calculation (eg. Taxes, Discounts) <i>(for Sales Invoice Entry)</i>	? <input type="checkbox"/> No
Method to Allocate when used in Purchase Invoice	? <input checked="" type="checkbox"/> Not Applicable

Multiple Mode:

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



Altering Multiple Group

Multi Group Alteration Company A

Under Group : **Sundry Creditors** Ctrl + M E

No.	Name of Group	Under
1.	Creditors - Consumables	Sundry Creditors
2.	Creditors - Raw Materials	Sundry Creditors

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.

Permanently Deleting a Group:

Go to 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.

Select the Group to be deleted.

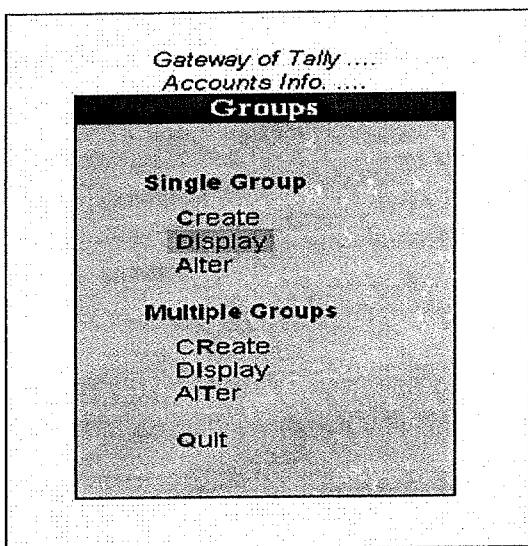
Press Alt+D to delete.

Displaying a Group:

You can display the Groups in Single mode or Multiple mode, since it is only display Tally.ERP 9 does not allow you to alter any information in display mode.

Single Mode:

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



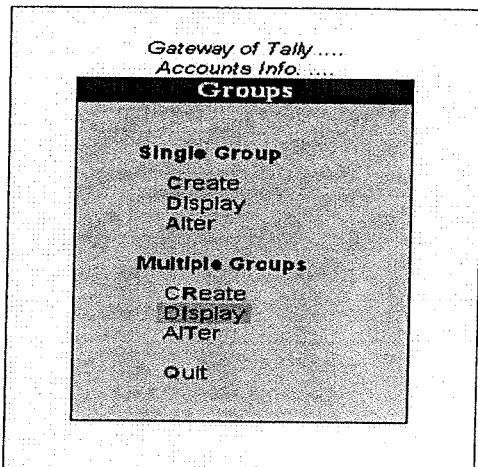
Select the name of the Group from the List of Groups. You cannot make any changes in the Display mode

Displaying a Single Group

Group Display		Company A
Name (alias)	: Administrative Expenses	
	: Office Expenses	
Under	: Indirect Expenses	
<hr/>		
Group behaves like a Sub-Ledger	? No	
Nett Debit/Credit Balances for Reporting	? No	
Used for Calculation (eg. Taxes, Discounts) (for Sales Invoice Entry)	?	
Method to Allocate when used in Purchase Invoice	? <input type="checkbox"/> Not Applicable	

Multiple Mode:

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



Displaying Multiple Groups

Multi Group Display		Company A	Ctrl + M
Under Group : Sundry Creditors			X
S.No.	Name of Group	Under	
1. Creditors - Consumables		Sundry Creditors	
2. Creditors - Raw Materials		Sundry Creditors	

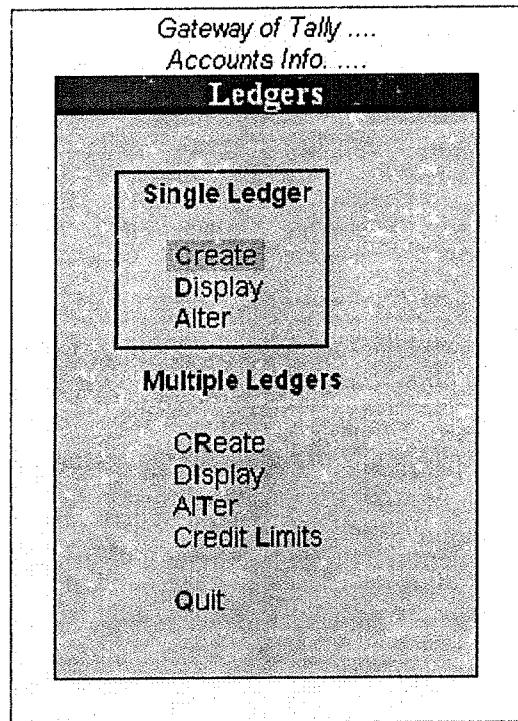
Select the Group from the List of Groups to display all the Groups under the selected Group or select All Items to display all Groups. The Multi Group Display screen lists Groups and the corresponding details of the Groups.

The Ledger:

Creating a Single Ledger.

By default, Tally.ERP 9 contains 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 for ex: Petty Cash.

Go to Gateway of Tally > Accounts Info > Ledgers > Create



The creation of a Ledger depends on the features you have selected under F11: Features of your company and F12: Configure. You can create a single ledger account with the default options enabled.

Go to Gateway of Tally > Accounts Info > Ledgers > Single Ledger > Create

Name (alias)	A's Capital Account	ABC Company Total Op. Bal.
		5,00,000.00 Cr <u>Difference</u> 5,00,000.00 Cr
Under	Capital Account	
Opening Balance (on 1-Apr-2008) : 5,00,000.00 Cr		

Name

Enter the Name of the account. You can provide the full name of the account. Tally.ERP 9 fits it all in. Press Enter to move to the next field. Tally.ERP 9 does not allow the entry of duplicate names. The uniqueness check is made here itself.

Note that the punctuation and other non-relevant information are ignored by Tally.ERP 9 in its recognition of a name. Thus, CST, C.S.T. and C. S. T. are all considered as same.

Tally.ERP 9 converts the first letter of all relevant words to upper case, which helps you; speed up data entry.

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 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. Refer Importance of Grouping and Accounting Classifications: for more details in Grouping

Opening Balance

If yours is an existing company whose books you are entering into Tally.ERP 9, Opening Balance would be applicable in circumstances where 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.ERP 9.

Tally.ERP 9 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.ERP 9, however, permits you to give balances even for such accounts - You may be transferring your books on to Tally.ERP 9 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 would suffice.

Creating a Multiple Ledger:

You can create multiple Ledgers at a time in this mode. This will save the time of the user.

Go to Gateway of Tally > Accounts Info > ledgers > Multiple ledgers > Create

Multiple Ledger Creation		ABC Company	Ctrl + M [X]
Under Group	All Items	For 1-Apr-2009	
S.No.	Name of Ledger	Under	Opening Balance
1.	Trader B	Sundry Creditors	5,00,000.00 Cr
2.	Trader C	Sundry Creditors	4,00,000.00 Cr

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:

Sl.No

This is auto generated.

Name of Ledger

Enter the name of the Ledger.

Under

If you select All Items in Under Group field, you have the option to select the group in this column. You can even create a new group from this field by pressing Alt+C. If you have selected any other Group in Under Group, the selected group in Under Group gets displayed here automatically and the cursor skips this column.

Opening Balance

This is the balance remaining when you first enter your books on Tally.ERP 9 9, 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/Cr

Specify whether the Opening Balance is Debit or Credit. Tally.ERP 9 follows the normal accounting principles of accounting.

Displaying or Alter a Single Ledger Account.

Go to Gateway of Tally > Accounts Info. > Ledgers > Display or Alter

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

9.5.4 Deleting a Single Ledger Account:

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

Go to Gateway of Tally > Accounts Info > Ledgers > Alter > Press Alt+D

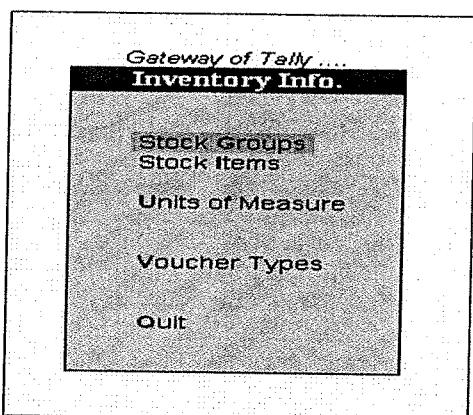
If you want to delete a Ledger for which Vouchers have been created, then you have to first delete all the Vouchers from that Ledger and then delete the Ledger Account.

Setting of Inventory Masters:

Inventory Information

The Inventory Info menu, lists the inventory masters like Stock Group, Stock Items, Units of Measure of the company, using which you can create, alter and display the inventory master details.

Go to Gateway of Tally > Inventory Info



Note: The Inventory Info menu is displayed in the Gateway of Tally, if you select Type of company as Maintain Accounts with Inventory in the Company Creation screen.

Configuration of Inventory

By using F12:Configure, you can enable the required settings of Inventory Masters.

By default, the settings pertaining to Inventory Masters are set to No. If you set them to Yes, the features will be enabled. Typically, they are additional fields that appear during Masters creation which enable you to obtain more information and detailed analyses for more details.

Functions in Inventory Info. Menu

Inventory information contains the inventory masters. Each master has Create, Display and Alter functions.

These three functions are grouped under:

1. Single
2. Multiple

In Single, you can execute the function on one master. In Multiple, you can execute the function on multiple masters.

Functions

Create

The Create option is used to create new masters. Any modification to the masters can be done only through the Alter mode.

Display

The Display option is used to view the Master information. Master information cannot be modified in Display mode.

Alter

The Alter option allows you to view and make the necessary changes to the master information. This does not allow creation of masters. In Alteration mode, you can delete the master. [Press ALT+D for deletion]

Stock Groups:

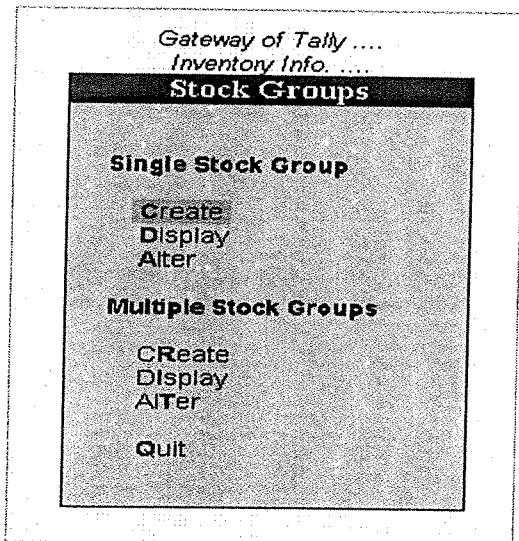
Creating a Single Stock Group:

Stock Groups in Inventory are similar to Groups in Accounting Masters. They are helpful in the classification of Stock Items.

You can group Stock Items under different Stock Groups to reflect their classification based on some common features such as brand name, product type, quality, etc.

Grouping enables you to locate Stock Items easily and report their details in statements.

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



Stock Items are classified into stock groups to reflect their classification based on some community.

To create a Stock Group,

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

Stock Group Creation	
Name	: Grade One
(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, Grade One.

Alias

Enter additional name apart from primary name [if required]. You can create any number of additional names.

Under

Specify whether it is a primary group or a sub-group of another group, by selecting from the list. 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 categorise under the Stock Group.

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

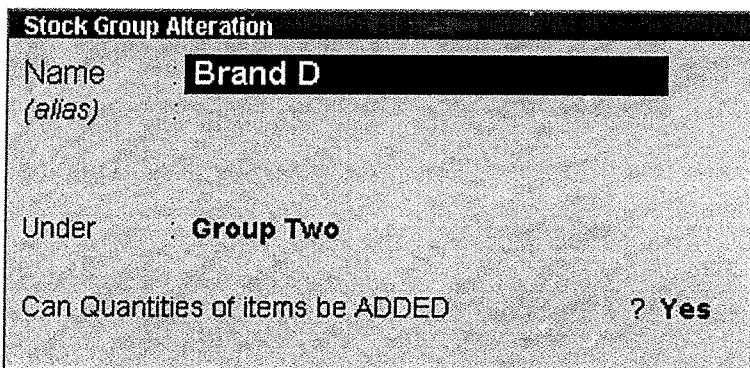
Modifying a Single Stock Group:

This option allows you to view the existing Stock Group in edit mode, here you are allowed to change the various information.

To alter a 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 is displayed as shown.



Make the necessary changes and click Yes to accept or press Ctrl+A to Save.

Deletion is possible only in the mode., For deleting the Stock Group, Press ALT+D.

Displaying a 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 as shown.

Stock Group Display

Name	: Brand A
Under	: Group One
Can Quantities of items be ADDED ? Yes	

Deleting a Single Stock Group.

Deletion is possible only in the alter mode,. For deleting the Stock Group, Press ALT+D.

Note: You cannot delete a stock group, if it is used by any sub groups or stock items. In order to delete the Stock Group, first delete the relevant sub groups and Stock items.

Creating a Multiple Stock Group.

Tally.ERP 9 allows you to create Stock Groups using single or multiple options.

To create Multiple Stock Groups,

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

Multi Stock Group Creation		ABC Company	OK N X
Under Group	All Items		
S.No.	Name of Stock Group	Under	Items are Addable (Y/N)
1.	Group Two		Yes
2.	Brand A		Yes
3.	Brand B		Yes
4.	[REDACTED]	Primary Group One Group One	

Select the parent group under which you want the new groups to be created from the List of Groups

A brief description on each field in the Multi Stock Group Creation screen is given below:

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.

Multi Stock Group Creation		JDC Company	Ctrl + M X
Under Group		Group Two	
S.No.	Name of Stock Group	Under	Items are Addable (Y/N)
1.	Brand C	Group Two	Yes
2.	Brand D	Group Two	Yes
3.			

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 for each one of them.

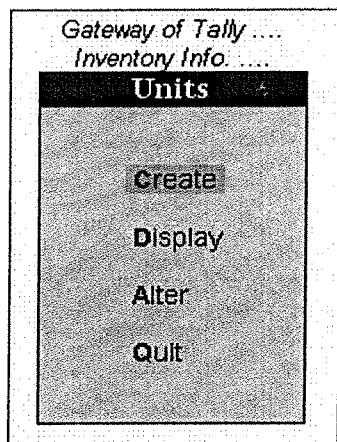
Items are Addable? (Y/N)

You can select whether units of the Stock Items under Stock Group are to be added or not.

Units of Measure:

Stock Items are purchased or sold on the basis of quantity. The quantity is measured by Units. Hence, it is necessary to create Units of Measure. You can have simple units such as numbers, meters, kilograms, and pieces or compound units like box of 10 pieces [1box =10 pieces]

Go to Gateway of Tally > Inventory Info. > Units of Measure



Creation of Stock Units:

Stock Items are mainly purchased and sold on the basis of quantity. The quantity in turn is measured by units. In such cases, it is necessary to create the Unit of Measure. The Units of Measure can either be simple or compound. Examples of simple units are: nos., metres, kilograms, pieces etc.

To create Simple Units of Measure,

Go to Gateway of Tally > Inventory Info > Units of Measure > Create

The Unit Creation screen is displayed as shown.

The screenshot shows a window titled "Unit Creation". Inside, there are four input fields:

- Type : Simple
- Symbol : Kgs
- Formal Name : Kilogram
- Number of Decimal Places : 3

A brief explanation of each field in the Unit Creation screen is given below:

Type

This field will show the Type of Units.

- Simple
- Compound.

Simple units are nos, pcs, etc. Compound unit is a combination of two simple units.

By default Tally.ERP 9 will show the Simple unit for creating the unit of measure.

You can select the Compound Units by clicking on that field or by using SHIFT+TAB [cursor will go to the previous field].

Example:

Kilogram unit. 1.255 Kgs, here 1 is for Kg and fraction 255 is for gram. For this unit, number of decimal places required is 3.

Alteration / Deletion of Stock Units:

To alter Units of Measure

Go to Gateway of Tally > Inventory Info. > Units of Measure > Alter

Select the Unit of Measure you want to alter from the Units list. The Unit Alteration screen is displayed as shown.

Unit Alteration

Type	Simple
Symbol	Nos.
Formal Name	Numbers
Number of Decimal Places	0

Make the necessary changes and accept Yes to save or Press CTRL+A.

You can delete a Unit of Measure from this screen by pressing Alt + D. However, you cannot delete a Unit of Measure that is part of a compound measure. You must delete the compound measure first.

Creation of Compound Units.

A Compound Unit is a relation between two Simple Units. Hence, before you create a Compound Unit, ensure that you have already created two Simple Units.

Example:

To Create Compound unit Doz (Dozen) of 12 Nos (Numbers), you have to create two simple units, Doz (Dozen) and Nos (Numbers) and set the conversion factor as 12.

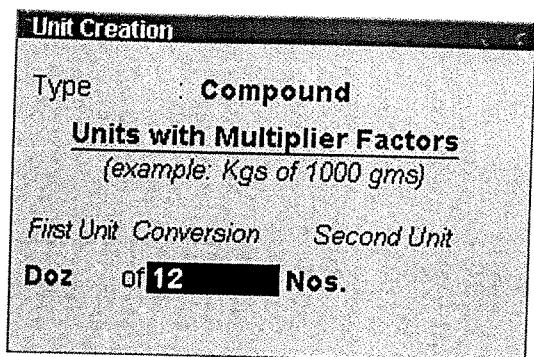
Go to Gateway of Tally > Inventory Info > Units of Measure > Create

The Unit Creation screen is displayed as shown. Now Click on Type field or Press SHIFT + TAB or Press Backspace Key.

Unit Creation

Type	Simple	Types of Units
Symbol		Compound
Formal Name		Simple
Number of Decimal Places	0	

Select Compound from the Types of Units and press Enter. The Conversion field will be displayed for creating Compound unit.



Field Information:

First unit: Select the First unit from the Units List. In the above example, Dozen will be the First Unit.

Conversion: Specify the conversion Factor. In the above example, Conversion factor will be 12.

Second Unit: Specify the Second Unit from the Units List. In the above example, Number will be the Second Unit. This unit is also called Tail Unit.

Use CTRL + A or Accept the Screen for Saving of Compound Unit Creation.

10.2.4 Alteration/Deletion of Compound Units:

To alter and Deletion is possible only in the alter mode,. For deleting the Stock Group, Press ALT+D.

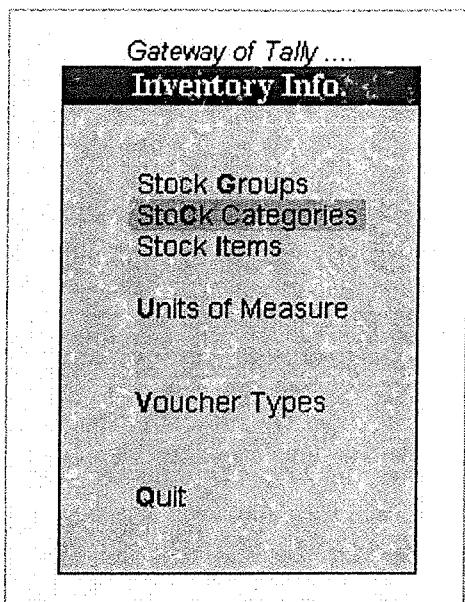
Stock Categories:

Stock Category offers a parallel classification of stock items. Like stock Groups, classification is done based on similarity in behaviour.

The advantage of Categorizing items is that you can classify the stock items (based on functionality) together across different stock groups which enables you to obtain reports on alternatives or substitutes for a stock item.

For enabling Stock Category option in the Inventory Info menu, press F11 > Inventory Features > Set Yes for Maintain Stock Categories.

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



Creating a Single Stock Category:

This option allows parallel classification of stock items. Like Stock Groups, Stock Categories are also classified based on some similar behavior.

This enables you to obtain reports for alternatives or substitutes of a stock item.

To create a Stock Categories,

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

The Stock Category Creation screen is displayed as shown.

A screenshot of the "Stock Category Creation" screen. The screen has a title bar "Stock Category Creation". Below it, there are two input fields: "Name : Monitor" and "(alias)". Underneath these, there is another field "Under : Primary". To the right of the "Under" field is a small rectangular box containing the text "Accept ?" with "Yes" and "No" options below it.

A brief description of each field in the Stock Category Creation screen is given below:

Name

Enter the name of the Stock Category.

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.

Modifying a Single Stock Category:

This option allows you to view the existing Stock Category in edit mode, here you are allowed to change the various information.

To alter a Stock Category,

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

Select the Stock Category from the List of Categories.

The Stock Category Alteration screen is displayed as shown.

Stock Category Alteration	
Name (alias)	: CDWriter
Under	: Primary

Make the necessary changes and click Yes to accept or press CTRL+A to Save.

Deletion is possible only in the alteration mode,. For deleting the Stock Category, Press ALT+D.

Displaying a Stock Category

You can display the existing Stock Category in Single mode and multiple mode, since it is only display Tally.ERP 9 does not allow you to alter any information in display mode.

Displaying a Single Stock Category

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

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

The Stock Category Display screen shows the details entered in Stock Category Master.

Stock Category Display	
Name	: CRT
Under	: Monitor

Deleting a Single Stock Category

Deletion is possible only in the alteration mode,. For deleting the Stock Category, Press ALT+D.

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

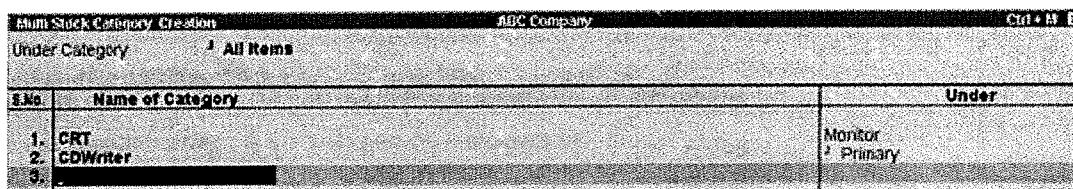
Creating a Multiple Stock Category

Tally.ERP 9 allows you to create Stock Categories using single or multiple options.

To create Multiple Stock Categories,

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

The Multiple Stock Category Creation screen is displayed as shown.



A brief description of each field in the Multi Stock Category Creation screen is given below:

Under Category

This field will display the List of Categories. You can select a category for which a multiple sub-category can be created.

If you select All Items in List of categories, selection of parent category Under column is possible during creation of sub-category.

If you select specific category in List of Categories, that category will get populated automatically whenever creation of sub-category and cursor skips Under column.

Name of the category

Specify the name of the Stock Category.

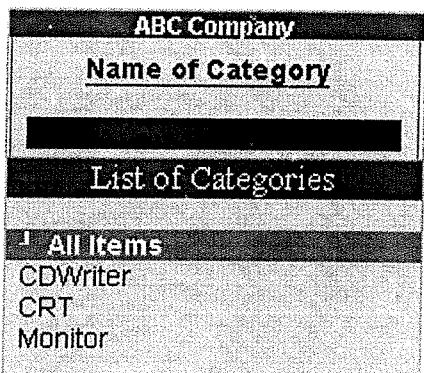
Under

If you have select All Items in Under Category, you must specify a parent category in this column.

Displaying of Multiple Stock categories:

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

Select the Stock Category from the List of Categories.



If you select All Items from the List of Groups, all the categories and sub categories are displayed.

Multi Stock Category Display		ABC Company	Cut + M X
Under Category	All Items		
S.No.	Name of Category	Under	
1.	CDWriter		Primary
2.	Monitor		Primary
3.	CRT		Monitor

If you select Monitor from the List of Categories, all the sub categories related to Monitor will be displayed.

Multi Stock Category Display		ABC Company	Cut + M X
Under Category	Monitor		
S.No.	Name of Category	Under	
1.	CRT		MON-CRT

Altering Multiple Stock Categories:

To alter Multiple Stock Categories,

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

Select the Stock Category from the List of Stock Categories. The Multi Stock Group Alteration screen is displayed as shown.

Maintain Stock Category Alteration		AFC Company	CUT + M - X
Under Category		All Items	
S.No.	Name of Category	Under	
1.	CDWriter		
2.	Monitor	1 Primary	
3.	CRT	2 Primary Monitor	

Make the necessary changes and click Yes to accept or Press CTRL+A to save.

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

Godowns /Locations

Locations/Godowns are places where Stock Items are stored. You can monitor the location-wise movement of stock by creating multiple Godowns.

Example:

Suppose you have three Godowns, where you store the Goods. In Chennai, you have two Godowns and in Bangalore, one Godown.

You can create Godowns as shown below:

Godown	Under
Godown A	Chennai
Godown B	Chennai
Godown C	Bangalore

First you have to Create Chennai and Bangalore locations and then you have to create Godowns under the respective location.

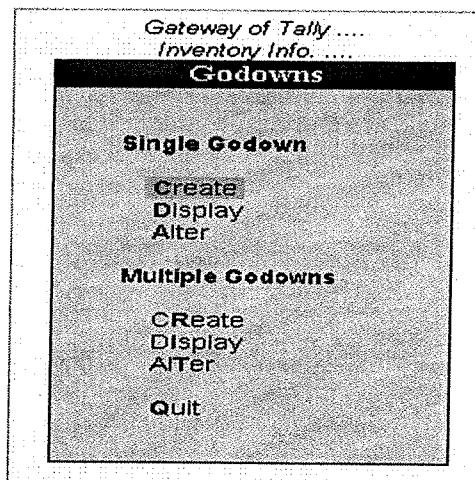
Tally.ERP 9 has a default Godown named Main Location. You can alter Tally's default godown and create a new one. Tally.ERP 9 permits the creation of any number of godowns, under groups and subgroups to match the structure you need.

You can create Locations/ Godowns only if Maintain Multiple Godowns is enabled in F11: Features > F2: Inventory Features.

Company: ABC Company		
<u>Inventory Features</u>		
General		
Integrate Accounts and Inventory	? Yes	
Allow Zero valued entries	? No	
Storage & Classification		
Maintain Multiple Godowns	? Yes	
Maintain Stock Categories	? No	
Maintain Batch-wise Details (set Expiry Dates for Batches)	? No	
Use different Actual & Billed Qty	? No	
Order Processing		
Allow Purchase Order Processing	? No	
Allow Sales Order Processing	? No	
Allow Job Order Processing (Note : Enables Maintain Multiple Godowns and Use Material In/Out)	? No	
Invoicing		
Allow Invoicing	? Yes	
Enter Purchases in Invoice Format	? Yes	
Use Debit/Credit Notes	? No	
Use Invoice mode for Credit Notes	? No	
Use Invoice mode for Debit Notes	? No	
Separate Discount column on Invoices	? No	
Purchase Management		
Track additional costs of Purchase	? No	
Sales Management		
Use Multiple Price Levels	? No	
Other Features		
Use Tracking Numbers (Delivery/Receipt Notes)	? No	
Use Rejection Inward/Outward Notes	? No	
Use Material In/Out	? No	
Track Stock Item Cost	? No	

F1- Accounts F2- Inventory F3- Statutory F4- Tally.NET F5- Audit

Go to Gateway of Tally > Inventory Info. > Godowns



10.4.1 Creating of Godowns:

To create a Location/Godown,

Go to Gateway of Tally > Inventory Info. > Locations/Godowns > Create (under Single Godown)

The Location/Godown Creation screen is displayed as shown:

Godown Creation	
Name (alias)	Chennai
Under	Primary
Use for:	
Our Stock with Third Party	? No
Third Party Stock with us	? No

A brief explanation of each field in the Location/Godown Creation screen is given below:

Name

Specify the name of the Location/Godown.

Alias

Enter an alias name for the Location/Godown name, if required.

Under

Specify the Location/Godown under which the Location/Godown is to be categorised. Use Alt + C to create the parent Location/Godown if it is not in the list. Select Primary, if it is not a sub Location/Godown of any Location/Godown.

Use for

This section is provided in Tally.ERP 9 Release 3.0 where users can create the godowns to store: The stock of the company lying with third party like Consignment Agent, Bonded Ware house, Job worker, etc.

Or

Third Party stock lying with the company in case company has received the stock for Job Work or acting as consignment agent or for any other reason.

- Our Stock with Third Party: Set this option to Yes if the godown is used to account the company's goods lying with the third party.
- Third Party Stock with us : Set this option to Yes if the godown created is used to account the goods received from third party and the stock of third party should not affect the company stock value.

Displaying of Godowns:

Go to Gateway of Tally > Inventory Info. > Locations/Godowns > Display (under Single Location/Godown)

Alteration of Godowns:

Go to Gateway of Tally > Inventory Info. > Locations/Godowns > Alter (under Single Location/Godown)

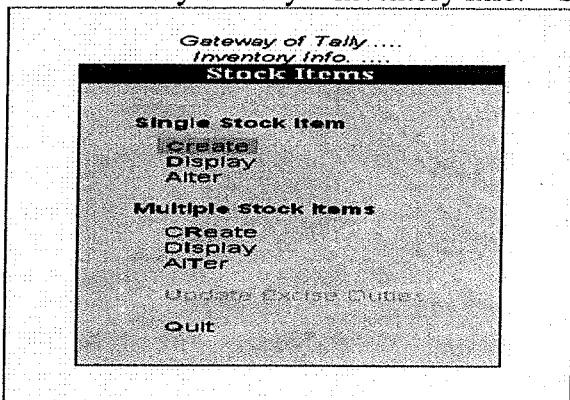
Deleting of Godowns:

You can delete a Godown/ location via Single Godown/Location Alter by pressing [Alt]+[D]. However, you cannot delete a Godown/location with sub-locations. The lower levels must be deleted first.

Stock Items:

Stock Item refers to goods that you manufacture or trade. It is the primary inventory entity and is the lowest level of information on your inventory. You have to create a Stock Item in Tally.ERP 9 for each inventory item that you want to account for.

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



Creation of Single Stock Item.

To create a Stock Item, Go to Gateway of Tally > Inventory Info > Stock Item > Single Create (under Single Stock Item) Stock Item creation is displayed as shown:

Opening Balance	Quantity 5 Nos.	Rate per 8,000.00 Nos.	Value 40,000.00
-----------------	--------------------	---------------------------	--------------------

A brief description of each field in the Stock Item Creation screen follows:

Name

Specify the name of the Stock Item.

Alias

Specify the Alias name of Stock Item (if required).

Under

This field will show the List of Groups. Here you can select the Stock Group to which the Stock Item belongs. By default, Primary Stock Group appears in this field.

Note: You can create a new stock Group by pressing ALT+C at this field.

Units

This field will show the Unit List. Here you can select the Unit of measurement applicable for the stock item. By default, Not Applicable appears in this field.

Note: You can create a new Unit by pressing ALT+C at this field.

Rate of duty

Specify the Rate of Duty applicable for the stock item. This field is used for the calculation of excise duty or if duty is based on item rate. During Invoicing, whenever you select a Stock Item, the Rate of duty entered here is displayed in the Invoice creation screen.

Note: In F11 Inventory features, if Allow Invoicing is set to No then Rate of Duty field will not be visible.

Opening Balance

Specify the details of Opening Stock, if any, for the Stock Item as on the date of Beginning of Books.

1. In the Quantity Field, specify the stock item Quantity, say 5 Nos.
2. In the Rate Field, specify the stock item Rate, say Rs. 8000 per piece.
3. In the Value Field, Tally.ERP 9 automatically calculates the value by multiplying the Quantity and Rate. You can also edit the value, Tally.ERP 9 automatically refreshes the Rate field accordingly.

Note: If Unit field is Not Applicable then the cursor will move from Quantity and Rate Field.

Note: Category and Godown buttons are visible only if you opted for the same in F11: Features.

Deleting of Single Stock Item:

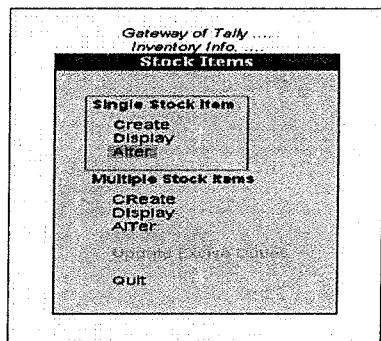
This option allows you to view the existing single Stock Item master in edit mode, here you are allowed to change the various information.

In the Alteration mode, you can change the item master settings.

If a transaction is entered for that item, it is not possible to alter the units and delete the stock item.

To Alter a Single Stock Item,

Go to Gateway of 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 is displayed as shown.

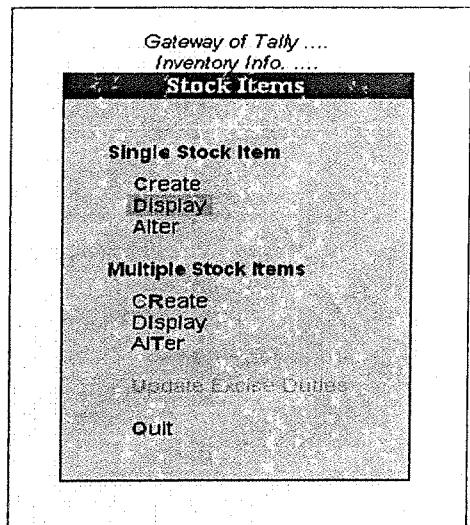
Stock Item Alteration		ABC Company	
Name (alias)	Optical USB Mouse	Part No.	112560051
Description	1 year Limited Warranty		
Remarks	Optical mouse features the world's best selling optical technology for incredibly smooth tracking.		
Set/Modify Default Ledgers for Invoicing	? No		
Under Category	Brand A Mouse	<u>Tax Information</u>	
Units	Nos.	Rate of Duty (eg 5)	16.50
Alternate Units where	Box	Tax Classification	
Maintain in Batches	? Yes	Costing Method	Avg. Cost
Track Date of Mfg	? Yes	Market Valuation Method	Avg. Price
Use expiry dates	? No	Ignore Diff. due to Physical Counting ? No	
Alter Components (BoM) ?	No	Ignore Negative Balances ? No	
Alter Standard Rates ?	No	Treat all Sales as New Manufacture ? No	
		Treat all Purchases as Consumed ? No	
		Treat all Rejections inward as Scrap ? No	
		Quantity	Rate per
		10 Nos. (1 Box)	300.00 Nec
		Value	
		3,000.00	

10.5.3 Displaying of Single Stock Item:

You can display the existing Single Stock Item master, since it is only display you are not allowed to alter any information in display mode.

To display a Single Stock Item,

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



Select the Stock Item you want to display from the List of Items. The Stock Item Display screen is displayed as shown

Creation of Multiple Stock Item:

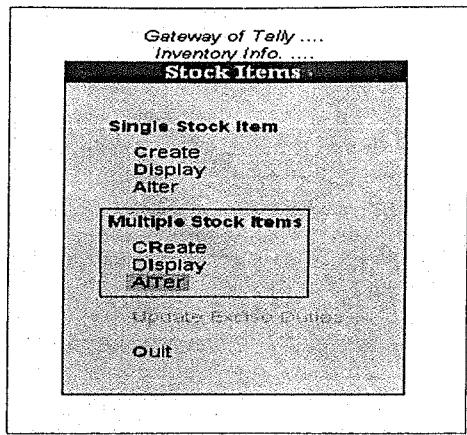
Now next step is here we are creating multiple stock item:

Click Create under multiple stock item

Multi Stock Item Creation		Accumulating Net				Ctrl + S	
Under Group	<input checked="" type="checkbox"/> All Items					0-Nov-2011 to 12-Dec-2011	
#No.	Name of Item	Under	Unit	Opening Qty	Rate	par	Amount
1.	Dell Inspiron Laptop 17.0"	<input type="radio"/> Primary	Nos.	5 Nos.	27,000.00	Nos.	1,35,000.00
2.	USB Mouse	<input type="radio"/> Primary	Nos.	4 Nos.	250.00	Nos.	1,000.00
3.	TVB Key Board	<input type="radio"/> Primary	Nos.	2 Nos.	900.00	Nos.	3,600.00

Accept ?
Yes... No

Modification of Multiple Stock Item: Go to Gateway of Tally > Inventory Info > Stock Items > Alter (under Multiple Stock Item)



Select a Stock Group or All Items from List of Groups to alter the Stock Item under the selected group or All Items.

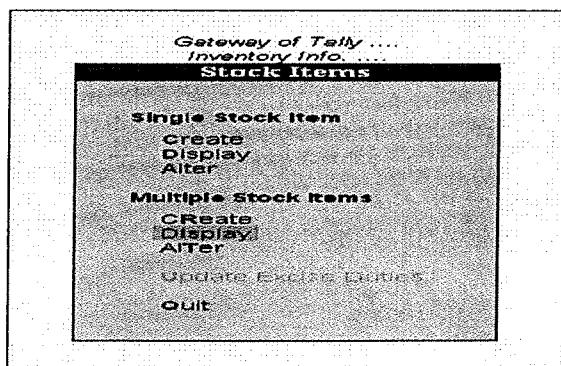
The Multi Stock Item Alteration screen is displayed as shown.

Multi Stock Item Alteration		ABC Company		Ctrl + M	
Under Group	All Items	For 1-Apr-2008			
S.No.	Name of Item	Lender	Category	Units	Opening Qty Rate per Amount
1.	Brand A - 17" CRT	Brand A	CRT	Nos.	
2.	Brand A - 19" TFT	Brand A	Not Applicable	Nos.	5 Nos. 6,000.00 Nos. 40,000.00
3.	Optical USB Mouse	Brand A	Mouse	Nos.	10 Nos. 500.00 Nos. 3,000.00 (1 Box)

Note: In the Multi Stock Item Alteration screen, you can create an Item by specifying item name after the last item, but you cannot delete an item.

Displaying of Multiple Stock Item.

Go to Gateway of Tally > Inventory Info > Stock Items > Display (under Multiple Stock Item)



Select a Stock Group or All Items from List of Groups to display the Stock Item under the selected group or All Items.

The Multi Stock Item display screen is displayed as shown.

Multi Stock Item Display		ABC Category		Cust. No.	
Under Group		All Items		For 1-Apr-2008	
S.No.	Name of Item	Under	Category	Units	Opening Qty Rate per Amount
1.	Brand A - 17" CRT	Brand A	CRT	Nos.	0 Nos.
2.	Brand A - 19" TFT	Brand A		Not Applicable Nos.	5 Nos. 8,000.00 40,000.00
3.	Optical USB Mouse	Brand A	Mouse	Nos.	10 Nos. 300.00 Nos. 3,000.00 (1 Box)

Stock Item Display		ABC Category		Cust. No.					
Name : Optical USB Mouse				Part No. 112660051					
Description : 1 year Limited Warranty									
Remarks : Optical mouse features the world's best selling optical technology for incredibly smooth tracking									
Set/Modify Default Ledgers for Invoicing ? No									
Under Category Units Alternate Units where	Brand A Mouse Nos. Box 1 Box = 10 Nos.	Tax Information Rate of Duty (eg 5) Tariff Classification	Behaviour Costing Method Market Valuation Method Avg. Cost Avg. Price Ignore Diff. due to Physical Counting Ignore Negative Balances Treat all Sales as New Manufacture Treat all Purchases as Consumed Treat all Rejections inward as Scrap						
Maintain in Batches Track Date of Mfg Use expiry dates After Components (Both)	? Yes ? Yes ? No ? No	Quantity 10 Nos. (1 Box)	Rate per 300.00	Value 3,000.00					
Opening Balance									

Deletion of Multiple Stock Item.

Deletion is possible only in the mode,. For deleting the Stock Group, Press ALT+D.

Note: You cannot delete a stock group, if it is used by any sub groups or stock items. In order to delete the Stock Group, first delete the relevant sub groups and Stock items.

QUESTIONS

1. which are the two predefined ledger in Tally ERP9?
2. Define Godowns
3. Define stock items
4. Define equity
5. Define voucher
6. What Is the difference between purchase order and sales order?
7. What is debit and credit?
8. What are the functions of accounting?
9. What are the special features of tally?
10. Explain different types of unit measures.
11. Define ledger. Name any few ledger accounts which be created under the group of indirect expenses and bank account.
12. Briefly explain accounting principles.
13. Explain subgroups **1. Cash in hand 2.duties and taxes 3.loans and advances 4. Provisions 5.reserves and surplus 6. Bank OD a/c 7.unsecured loan.**
14. Define single ledger and multiple ledger and write the steps to create, delete and modify.

CHAPTER-4 VOUCHERS

Unit-1 Accounting Voucher Entry in Tally.ERP 9

Introduction:

Accounting Vouchers are used to record all accounts related transactions in Tally.ERP 9. You can selectively set the configuration for entry to allow only those features, which you require while entering vouchers.

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

Voucher Entry Configuration		
Accounts	Inventory	
Skip Date field in Create Mode (faster entry)?	? Yes	Use Ref. Number in Stock Journal
Use Single Entry mode for Pymt/Rcpt/Contra	? Yes	Warn on Negative Stock Balance
Use Payment/Receipt as Contra	? No	Honor Expiry Dates usage for Batches
Use Cr/Dr instead of To/By during entry	? No	Show Balances as on Voucher Date
Warn on Negative Cash Balance	? Yes	Show Godown-wise Details
Pre-Allocate Bills for Payment/Receipt	? No	Show Batch-wise Details
Allow Cash Accounts in Journals	? No	
Allow Expenses/Fixed Assets in Purchase Vouchers	? No	
Allow Income Accounts in Sales Vouchers	? No	
Show Inventory Details	? Yes	
Show Table of Bill Details for Selection	? Yes	
Show Bill-wise Details	? Yes	
Expand into multiple lines	? Yes	
Show Ledger Current Balances	? Yes	
Show Balances as on Voucher Date	? No	

Types of Vouchers:

Pre-defined Vouchers in Tally.erp 9:

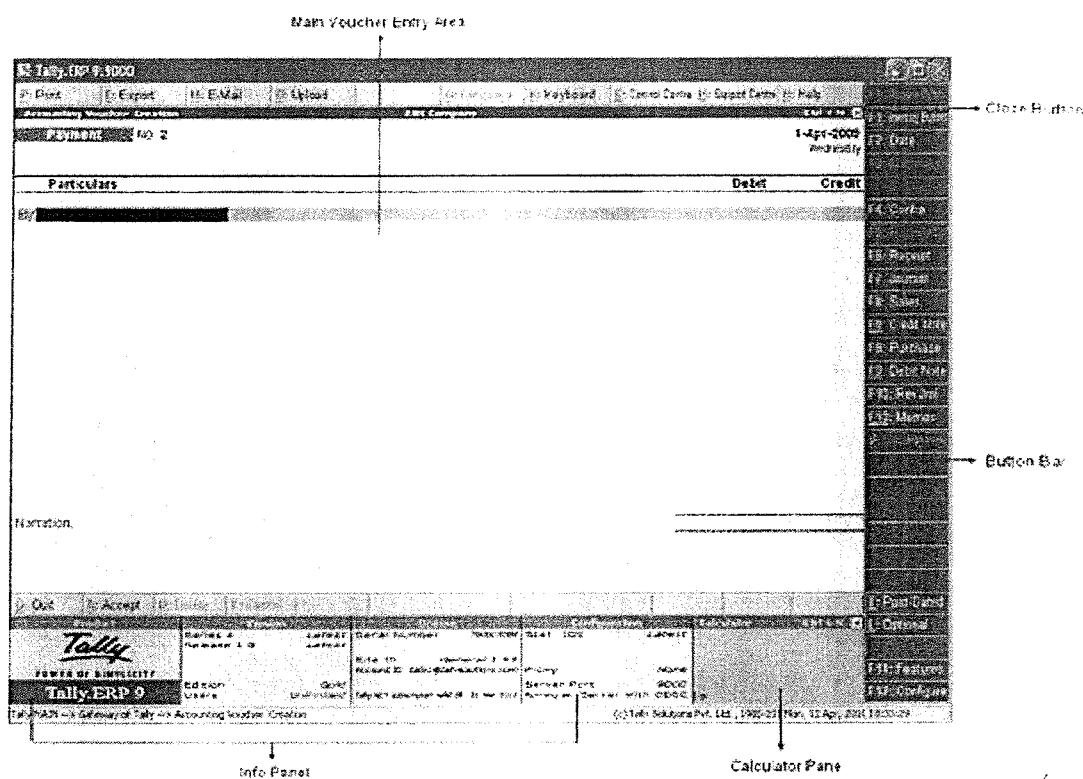
Tally comprises of the following predefined Vouchers, to suit different business requirements for recording various transactions. Tally also allows you to create user-defined Vouchers (Voucher Types) as per your requirements.

- Contra Voucher.
- Payment Voucher.
- Receipt Voucher.
- Journal voucher.
- Sales Voucher / Invoice.
- Debit Note Voucher.

- Credit Note Voucher.
- Purchase Voucher / Invoice.
- Memorandum
- Reversing Journal

The Voucher Entry screen is divided into three parts:

- The Main Voucher Entry
- Button Bar
- Calculator



Voucher Entry Screen components

Main Voucher Entry Area

The Main Voucher Entry Area is where you enter all your transactions. This area has fields for Date, Ledger Name and Amount as well as additional pop-up screens that are dependent on your voucher configuration and the nature of transaction you make.

Button Bar

The Button Bar area displays buttons that provide quick links to various functions and features of Tally.ERP 9. Buttons that are relevant to the current task are enabled and the other buttons are disabled.

Calculator Area

The Calculator area provides a working space where you can enter any number of mathematical formulae for complex calculations.

Switching between Screen Areas

The Main Voucher Entry Area is the active area by default on the Voucher Creation screen. Press Ctrl+N to navigate to the Calculator Area and press Ctrl+M to toggle back to Main Voucher Entry Area. A green bar highlights the active area of the screen.

Note: Press Alt+C to use calculator when at amount field.

Special Keys for Voucher Narration Field

ALT+R: Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.

CTRL+R: Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.

Checking the accuracy of the vouchers

To check the accuracy of the vouchers that you have entered:

Go to Gateway of Tally > Display > Day Book

1. Select F2: Period from Button Bar and enter the period for which you want to view Vouchers.

Note: It defaults to the current date only but you may display all the transactions for a particular period.

Select F1: Detailed

You can check the vouchers for correctness. To correct a mistake, position the cursor on the item where you have found the error and press Enter. Tally.ERP 9 displays the voucher details for alteration. The alteration facility is subject to security and access rights. All alterations are available for audit.

Contra Voucher (F4):

As per the Accounting Principles, a Contra entry is a transaction involving transfer of cash between one Cash A/c to another or one Cash A/c to another Bank A/c i.e., is a transaction indicating transfer of funds from:

This Voucher is used for fund transfers between Cash and Bank accounts only. Like Fund transfer from one Bank / Cash account to another Bank / Cash account, Cash Deposit / Withdrawals into/from Bank.

Perform the following steps to have Receipt Voucher creation screen on your desktop .

Gateway of Tally → Accounting Voucher → Click on F4 : Contra button present on the Button Panel to have the Contra Voucher Creation screen.

The following Vouchers can be done through the Contra Vouchers :

- (a) Cash Deposited into Bank
- (b) Cash Withdrawal from the Bank
- (c) Funds Transfer from One Bank to another Bank
- (d) Cash Transfer to Petty Cash

(a) **Transaction : Cash Deposited Rs. 5000 in the State Bank Of India (SBI)**

Accounting Voucher Creation		Date
Contra	No. 1	1-Apr-2007 Sunday
Account : State Bank Of India (BBI)		
Cur Bal: 5,000.00 Cr		
Particulars	Amount	
Cash	5,000.00	
Cur Bal: 5,000.00 Cr		
Narration :	5,000.00	
[Redacted]		

(b) **Transaction : Cash Withdrawal from the Bank Rs. 5000**

Accounting Voucher Creation		Date
Contra	No. 1	1-Apr-2007 Sunday
Account : Cash		
Cur Bal: 5,000.00 Cr		
Particulars	Amount	
State Bank Of India (BBI)	5,000.00	
Cur Bal: 5,000.00 Cr		
Narration :	5,000.00	
[Redacted]		

(c) **Transactions : Rs.5000 are Transferred from SBI Bank to UTI Bank**

Accounting Voucher Creation		Date
Contra	No. 1	1-Apr-2007 Sunday
Account : UTI Bank		
Cur Bal: 5,000.00 Cr		
Particulars	Amount	
State Bank Of India (BBI)	5,000.00	
Cur Bal: 5,000.00 Cr		
Narration :	5,000.00	
[Redacted]		

(d) *Transactions :* Rs.5000 is transferred from Cash to Petty Cash

Accounting Voucher Creation		Cr/Dr
Contra	No. 1	1-Apr-2007 Sunday
Account : Petty Cash <i>Cur Bal: 5,000.00 Cr</i>		
Particulars	Amount	
Cash	5,000.00	
<i>Cur Bal: 5,000.00 Cr</i>		
Narration :	5,000.00	

Payment Vouchers (F5):

This Voucher records all the payments made through Bank and Cash. It is also used for payment of fixed assets, purchases, dues to creditors, loans and advances given, payment of loans and advances given to you earlier.

Gateway of Tally → Accounting Voucher → Click on F5 : Payment button present on the Button Panel to have the Payment Voucher Creation screen.

Transactions : Paid Salary of Rs.5000 and Office Rent of Rs. 2000 by cheque of SBI bank as on 15-04-2007.

Payment	No. 1	15-Apr-2007 Sunday
Account : State Bank Of India (SBI) <i>Cur Bal: 5,000.00 Dr</i>		
Particulars	Amount	
Salary <i>Cur Bal: 5,000.00 Dr</i>	5,000.00	
Office Rent <i>Cur Bal: 2,000.00 Dr</i>	2,000.00	
Narration :	7,000.00	
Ch. No.: 125456 dt. 14-04-2007		<div style="border: 1px solid black; padding: 5px; text-align: center;"> Accept ? <input type="radio"/> Yes <input type="radio"/> No </div>

Receipt Voucher (F6) :

The purpose of these voucher is to record all receipts into Bank or Cash Accounts. Such receipt from Debtors, any income, refund of loans or advances given earlier, sale of fixed assets, etc ...

Gateway of Tally → Accounting Voucher → Click on F6 : Receipt button present on the Button Panel to have the Receipt Voucher Creation screen.

Transactions : Amount collected and deposited to SBI Bank Rs. 93,600 from Swayam Computer Education against Bill No ABC-01 & ABC-02 , respectively.

Accounting Voucher Creation		Ctrl + M
Receipt	No. 1	15-Apr-2007 Sunday
Account : State Bank Of India (SBI) Cur Bal : 93,600.00 Dr		
Particulars	Amount	
Swayam Computer Cur Bal : 0.00 Cr Agst Ref ABC-01 Agst Ref ABC-02	93,600.00 41,600.00 Cr 52,000.00 Cr	
Narration : Ch. No. 14456789 dt. 5-04-2007	93,600.00 Accept ? Yes or No	

Method of Adjustments :

- (a) **Advance :** This method is used for payment without any previous due arisen to the party.
- (b) **Against Ref.:** Is used for adjustment against any existing dues.
- (c) **New Ref.:** Is used for creating any due.
- (d) **On Account :** For lump sum amount.

Transactions : Rs.500 interest received from SBI Bank.

Accounting Voucher Creation		Ctrl + M
Receipt	No. 2	15-Apr-2007 Sunday
Account : State Bank Of India (SBI) Cur Bal : 93,100.00 Dr		
Particulars	Amount	
Bank Interest Cur Bal : 500.00 Cr	500.00	
Narration : Ch. No.:	500.00	

Journal Vouchers (F7)

It is for adjustment between any two ledgers. No outside parties, like Debtors, Creditors, Branches/Divisions are involved. These are for rectification entries in which as any kind of adjustment for non-cash or bank transactions are recorded here.

Gateway of Tally → Accounting Voucher → Click on F7 : Journal

Transactions: Depreciation charge on Furniture & Machinery Rs. 5,000/- and Rs. 20,000/- respectively.

Accounting Voucher Creation		DATE : 15-Apr-2007	
Journal No. 1		Sunday	
Particulars	Debit	Credit	
By Depreciation Cur Bal. 25,000.00 Dr	25,000.00		
To Furniture Cur Bal. 5,000.00 Cr		5,000.00	
To Machinery Cur Bal. 20,000.00 Cr		20,000.00	
Narration	25,000.00	25,000.00	
			Accept ?
			<input type="radio"/> Yes <input type="radio"/> No

Sales Vouchers (F8):

This Voucher records all entries related to Sales including Cash & Credit. You need to enter the item details if Inventory value gets effected due to sales. The entries for Cash Sale are automatically entered in the Cash Book or Bank Book.

Gateway of Tally → Accounting Voucher → Click on F8 : Sale

Transactions: Sold the following items to M/s Swayam Education on Credit with VAT - 4%

Name of Items	Qty.	Rate	Amount
IBM Laptop	1	50000	50000
Lenovo Computer	1	40000	40000

Accounting Voucher Alteration (Secondarily)		DATE : 15-Apr-2007	
Sales No. 1		Sunday	
Ref:			
Party's Ac Name : Swayam Computer Education			
Current Balance :			
Sales Ledger : Sale @ 4%			
VAT/Tax Class: Sales @ 4%			
Name of Rent	Quantity	Rate per	Amount
Lenovo Computer	1 Nos.	40,000.00 Nos.	40,000.00
IBM Laptop	1 Nos.	50,000.00 Nos.	50,000.00
			90,000.00
Output VAT - 4%		4 %	3,600.00
Narration:	2 Nos.		
			Accept ?
			<input type="radio"/> Yes <input type="radio"/> No

Credit Note Voucher (Ctrl + F8):

Credit Note are used for giving credit to the party, for example, when a buyer returns the goods (SALE RETURN) or allows himself Credit due to rate difference or Discount or Due to some adjustment.

This voucher type will be available after configuration of F11 features.

Transaction : Goods Return by M/s Swayam Education of following Items .with VAT adjustment 4%.

Name of Items	Qty.	Rate	Amount
Logitech Mouse	2	750	1500
LG Monitor	1	4000	4000

Accounting Voucher Creation (Secondary)		Swayam Computer Education	
Credit Note	No. 1	15-Apr-2007	Sunday
Ref:	Used for: Return Of Goods		
Party's Ac Name:	Swayam Computer Education		
Current Balance:	52,000.00 Dr		
Sales Ledger:	Sale @ 4%		
VAT/Tax Class:	Sales @ 4%		
Name of Item	Quantity	Rate per	Amount
Logitech Mouse	2 Nos.	750.00 Nos.	1,500.00
LG Monitor	1 Nos.	4,000.00 Nos.	4,000.00
			5,500.00
Output VAT - 4%		4 %	220.00
Narration	3 Nos	<input type="checkbox"/> Accept ? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Purchase Vouchers (F9):

This Voucher records all entries related to Purchases including Cash & Credit. You need to enter the item details if Inventory value gets effected due to Purchases. The entries for Cash Purchase are automatically entered in the Cash Book or Bank Book.

Gateway of Tally → Accounting Voucher → Click on F9 : Purchase

Transactions : Purchase the following items to M/s IT EXCEL CARE on Credit with VAT- 4% with a Trade Discount of 5%

Name of Items	Qty.	Rate	Amount
IBM Laptop	2	45000	90000
Lenovo Computer	2	35000	70000

Accounting Voucher Alteration (Secondary)			
Purchase	No. 1	Ref:	15-Apr-2007 Sunday
Party's Ac Name : IT EXCEL CARE Current Balance : 1,58,080.00 Cr Purchase Ledger : Purchase - 4% VAT/Tax Class: Purchases @ 4%			
Name of Item	Quantity	Rate per	Amount
IBM Laptop	2 Nos.	45,000.00 Nos.	90,000.00
Lenovo Computer	2 Nos.	35,000.00 Nos.	70,000.00
			1,60,000.00
Trade Discount		(-5 %)	(-8,000.00)
Input VAT - 4%		4 %	6,080.00
Narration :	4 Nos.	1,58,080.00	

Debit Note Vouchers (Ctrl + F9):

Debit Notes are used for Debiting party accounts, for example, in case of purchase return or when your supplier has granted you Credit due to different reasons. This voucher type will be available after configuration of F11 features.

Transaction : Following Goods are returned to M/s IT EXCEL CARE due defect

Name of Items	Qty.	Rate	Amount
IBM Laptop	2	45000	90000

Accounting Voucher Creation (Secondary)		SWEARIN COMPUTER EDUCATION	
Debit Note	No. 1	15-Apr-2007	
Ref:		Sunday	
Used for: Return Of Goods			
Party's Ac Name:	IT EXCEL CARE		
Current Balance:	1,58,080.00 Cr		
Purchase Ledger:	Purchase - 4%		
VAT/Tax Class:	Purchases @ 4%		
Name of Item	Quantity	Rate per	Amount
IBM Laptop	1 Nos.	45,000.00 Nos.	45,000.00
Input VAT - 4%		4 %	1,800.00
Narration:	1 Nos.		46,800.00

Optional and Non Accounting Vouchers in Tally.ERP 9

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

Memorandum Voucher

This is a non-accounting voucher and the entries made using memo voucher will not affect your accounts. In other words, Tally.ERP 9 does not post these entries to ledgers, but stores them in a separate Memorandum Register. You can alter and convert a Memo Voucher into a regular voucher when you decide to bring the entry into your books.

Some of the uses of Memorandum Vouchers are:

Making suspense payments

Consider that a company gives its employees cash to buy office supplies, the exact nature and cost of which are unknown. For this transaction you can enter a voucher for the petty cash advance, a voucher to record the actual expenditure details when they are known, and another voucher to record the return of surplus cash.

However, a simpler way of doing it is to enter a Memo voucher when the cash is advanced, and then turn it into a Payment voucher for the actual amount spent, when the details are known.

Consider the following Example:

The Company pays its employee Rs. 1000 as petty cash advance for Office Expenses.

The following entry has to be passed.

To use Memorandum voucher, Enable the following option from **F11: Accounting Features**

- **Use Reversing Journals & Optional Vouchers**

Go to **Gateway of Tally > Accounting Vouchers > Select Ctrl+F10: Memos** from the Button Bar or click **Ctrl+F10**.

1. Debit **Office Supplies Account**
2. Credit **Cash Account**

Reversing Journals

Reversing Journals are special journals that are automatically reversed after a specified date. They exist only till that date and are effective only when they are included in reports. These are used in interim reporting in the course of the financial year where accruals are to be reported. These accruals are usually short term and are cleared in the subsequent period. However, to get a proper perspective, decision makers require the reports with full impact of all aspects and transactions.

To activate Reversing Journals,

Go to Gateway of Tally

1. Select F11: F1: Accounting Feature
2. Set Use Reversing Journals & Optional Vouchers? to Yes.
3. Accept the screen to save.

You may use reversion journal for accounting for or providing for depreciation. Since, depreciation is usually provided during at the end of the year, using the Reversing journal you may include them for monthly reporting or a specific period to give more accurate status or position.

Let us take an example:

On 30th June you want to view the Balance Sheet but June month's rent is not been paid. You may create a Scenario (refer Scenario Management for more information) and pass a Reversing Journal entry to view the reports which will be effective up to the applicable date. When you view the Balance Sheet, Tally.ERP 9 displays the report with the reversing journals included. The voucher affects the report only for that day, 30th June.

Applicable up to

The reversing Journal is available for inclusion in a scenario report till this date. The Reversing Journal can be created as of a particular date and made Applicable up to a different date.

Reversing Journal Register

All vouchers are maintained in a Reversing Journal Register. These are not posted to any books of accounts and cannot be included in regular reports. They can only be seen using a scenario.

Go to Gateway of Tally> Display> Exception Reports> Reversing Journals

Unit -2 Inventory Vouchers in Tally.ERP 9

Purchase order (Alt+F4):

Purchase Order Processing is the process of placing orders with suppliers for a purchase to be made from them and Sales Order Processing is the process of receiving orders from customers for the purpose of selling. Usually, companies need to track the Order details for Sales and Purchases as this significantly helps in planning the production process accordingly.

In Tally.ERP 9, Order Processing is linked to Inventory. This allows tracking of the order position for a Stock Item. Using this you can track the arrival of goods ordered and whether the ordered Stock Item are delivered on time etc.

Purchase Order is an order placed by a business entity with a supplier for the delivery of specified goods at a given price and at a predetermined time.

To enable Purchase Order in Tally.ERP 9, activate the following in F11: Features (F2: Inventory Features)

Set Allow Purchase Order Processing to Yes in the Order Processing section.

Company ABC Company		
Inventory Features		
General		
Integrate Accounts and Inventory	?	Yes
Allow Zero valued entries	?	No
Storage & Classification		
Maintain Multiple Godowns	?	Yes
Maintain Stock Categories	?	No
Maintain Batch-wise Details (set Expiry Dates for Batches)	?	No
Use different Actual & Billed Qty	?	No
Order Processing		
Allow Purchase Order Processing	?	Yes
Allow Sales Order Processing	?	Yes
Allow Job Order Processing (Note : Enables Maintain Multiple Godowns and Use Material In/Out)	?	Yes
Invoicing		
Allow Invoicing	?	Yes
Enter Purchases in Invoice Format	?	Yes
Purchase Management		
Use Debit/Credit Notes	?	No
Use Invoice mode for Credit Notes	?	No
Use Invoice mode for Debit Notes	?	No
Separate Discount column on Invoices	?	No
Sales Management		
Use Multiple Price Levels	?	No
Other Features		
Use Tracking Numbers (Delivery/Receipt Notes)	?	No
Use Rejection Inward/Outward Notes	?	No
Use Material In/Out	?	Yes
Track Stock Item Cost	?	No

F1: Accounts F2: Inventory F3: Statutory F4: Tally.NET F5: Audit

When the order is placed with the suppliers for the supply of goods, the items, quantities, date of receipt etc., details are given with the Purchase Order Number. Later, when these goods are received, the Purchase Order is tracked for the Order Details either in the receipt note or in the purchase Invoice.

The Outstanding Purchase Order reports are available in Tally.ERP 9. It is possible to know the order position of any item in the Stock Summary. Separate Purchase Order Outstanding report and Purchase Order Summary report are also available.

To enable Purchase Order Processing refer Enabling Order Processing in Tally.ERP 9.

To create a Purchase Order,

Go to Gateway of Tally > Inventory Vouchers > press Alt + F4 or click on Purc Order

Purchase Voucher Creation		ABC COMPANY	GRN
SUPPLIER CODE No. 1			1 APR 2008 TUE 10:00
Party's A/c Name	Supplier A	Order No.	01
Name of Item		Quantity	Rate per
Item		10.00 nos	100.00 INR
2 End of List			

Narration	10.00 nos	1,000.00

Party's A/c Name

Select the Suppliers name from the List of Ledger Accounts. Use Alt + C to create a new account.

Order No:

Enter the purchase order number under Order No column

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 shown.

Due on

Enter the due date for receipt of the items. This monitors outstanding receipts.

If orders are split for different dates, then specify the due date for the first lot to be received, after selecting the quantity, rate and amount; specify the due date for the second lot and so on. After specifying the due dates for all the lots, press Enter in the Due on field to return to the Voucher Creation screen.

Note: Godown/ Location field will appear, if multiple-location feature is enabled in F11:Features (F2:Inventory Features).

Quantity, Rate and Amount

Enter the quantity of the item required and its rate. The amount will be calculated automatically.

Accept to save.

Narration

This field is optional. Enter the required particulars concerning the order.

Altering and Deleting the 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 Orders Book

Make the necessary alterations and save.

Deleting a Purchase Order:

To delete a Purchase Order, press Alt + D in the Purchase Order alteration screen.

Receipt Note. (Alt+ F9):

This voucher type is used for recording goods received from the supplier.

To enter the Receipt Note Voucher,

1. From F11: Inventory Features, Enable the option Use Tracking Numbers (Delivery / Receipt Notes).
2. Go to Gateway of Tally > Inventory Vouchers
3. Press the button Alt+F9 or Select the button F9: Rcpt Note from the button bar.

Under F12: Configure (Receipt Note Configuration) set the option Accept Supplementary Details to Yes.

<u>Receipt Note Configuration</u>	
Accept Supplementary Details <i>(Address Details, Despatch Details etc.)</i>	? Yes
Allow Separate Buyer and Consignee Names	? No
Use Common Ledger A/c for Item Allocation	? Yes
Use Defaults for Bill Allocations	? Yes
Use Additional Description(s) for Item Name	? No
Consolidate Stock Items with same rates	? Yes
<u>Exporters' Options</u>	
Specify Export Shipping details	? No
Specify Marks & Nos./Container No.	? No
Specify No. and Kind of Packages	? No
<u>Other Options</u>	
Complete Accounting Allocations in Order/Delivery Note	? Yes
Show turnover achieved with Customer	? No
Allow modification of ALL fields during entry	? No
Warn on Negative Stock Balance	? Yes
Honor Expiry Dates usage for Batches	? Yes
Show Batches with zero quantity	? Yes
Calculate Tax on current Sub-Total <i>(else calculations are on Inventory Total only)</i>	? Yes

For more details on Receipt Note configurations refer Voucher Entry Configuration
 For example, consider the situation where a company receives Item A from a supplier B. If a Purchase Order exists for that Supplier B, select the Order Number from the List of Orders pop up menu to bring up the order particulars automatically.

List of Orders	
<input type="radio"/> End of List	
<input checked="" type="radio"/> New Number	
<input type="radio"/> Not Applicable	

Supplier's Details	
Supplier Address	Supplier A #12, 7th Main, Mallegharach, Bangalore
Sales Tax No	01

Once you accept the Order details, the cursor will move to the column Name of Item. On pressing Enter, the Item Allocations screen is displayed.

You can select existing Tracking number or create a new Tracking Number. Tracking number is the reference to have a link between transactions. For eg: if Tracking Number is selected in the Receipt Note, the details of the items are automatically displayed in the Purchase Invoice.

Item Allocations for Item A		
Quantity	Rate per	Amount
Order No.: 01	10.00 r/s	100.00
		1,000.00

The Receipt Note after completion will appear as shown :

Receipt Note		Date	Ref.
Party A/c Name		Supplier A	1 Apr 2008 T000030
Current Balance			
Name of Item	Quantity	Rate per	Amount
Item A	10.00 nos	100.00 nos	1,000.00
End of List			
Narration			
10.00 nos			
1,000.00			

Partys A/c Name

Select the Party Ledger from the List of Ledger Accounts from whom the goods have been received.

Name of Item

Once you select the Order Number from the List of Orders, the item name will be displayed automatically.

Quantity, Rate and Amount

Since the Order number is selected from the List of Orders, quantities, rate and amount will be displayed automatically.

Rejection Out (Alt +F6): (Purchase Returns).

The Rejections Out Voucher records goods that are rejected and returned to a supplier.

To view Rejections Out Voucher:

1. From F11: Inventory Features, Enable the option Use Rejection Inward / outward Notes.
2. Go to Gateway of Tally > Inventory Vouchers
3. Press Alt+F6 or Select the button F6: Rej. Out from the Button Bar

For example, the company returns Item A received from Supplier A.

Supplier Voucher Creation		ABC Corp Ltd	Date
Ref No: 1234567890		1-Apr-2008	Credit
Ledger Account	Supplier A	Supplier's Name and Address	
Name of Item	Supplier A 91A, 7th Main, Koramangala, Bangalore - 560034	Quantity	Rate per Unit Amount
Item A	100.00	100.00	100.00
Narration		200.00	200.00

Ledger Account

Select the Party's name from the List of Ledger Accounts, to whom you are returning the goods.
Suppliers Name and Address

Once Party's name is selected under Ledger Account, this column will be filled up automatically with the address, if provided in the Ledger Master creation screen.

Name of Item

Select the Item from the List of Stock Items. Press Enter on the Item, it will display the Item Allocations screen.

Stock Item Allocations		ABC Company		CH 3 M
Item Allocations for		Item A		
Quantity	Rate per	Amount		
Tracking No. 1	Order No. 01	(Due on 1-Apr-2001)		
2.00 nos	100.00 nos	200.00		
2.00 nos	100.00 nos	200.00		

Under the List of Tracking Numbers, the details of Receipt note along with Tracking number will be displayed, Select the same and mention the quantity rejected.

Narration

Give the narration, if required.

Sales Order. (Alt + F5):

Purchase Order Processing is the process of placing orders with suppliers for a purchase to be made from them and Sales Order Processing is the process of receiving orders from customers for the purpose of selling. Usually, companies need to track the Order details for Sales and Purchases as this significantly helps in planning the production process accordingly.

In Tally.ERP 9, Order Processing is linked to Inventory. This allows tracking of the order position for a Stock Item. Using this you can track the arrival of goods ordered and whether the ordered Stock Item are delivered on time etc.

Sales Order is an order placed by a customer for the delivery of specified goods at a given price and at a predetermined time.

To enable Sales Order Processing in Tally.ERP 9, activate the following in F11: Features (F2: Inventory Features)

Set Allow Sales Order Processing to Yes in the Order Processing section.

Company: ABC Company			
Inventory Features			
General		Invoicing	
Integrate Accounts and Inventory	?	Yes	Allow Invoicing
Allow Zero valued entries	?	No	Enter Purchases in Invoice Format
Storage & Classification	?	Yes	Use Debit/Credit Notes
Maintain Multiple Godowns	?	No	Use Invoice mode for Credit Notes
Maintain Stock Categories	?	No	Use Invoice mode for Debit Notes
Maintain Batch-wise Details (set Expiry Dates for Batches)	?	No	Separate Discount column on Invoices
Use different Actual & Billed Qty	?	No	
Order Processing	?	Yes	
Allow Purchase Order Processing	?	Yes	
Allow Sales Order Processing	?	Yes	
Allow Job Order Processing (Note : Enables Maintain Multiple Godowns and Use Material In/Out)	?	Yes	
Purchase Management		Sales Management	
Track additional costs of Purchase		Use Multiple Price Levels	
Other Features			
Use Tracking Numbers (Delivery/Receipt Notes)		?	
Use Rejection Inward/Outward Notes		?	
Use Material In/Out		?	
Track Stock Item Cost		?	

F1: Accounts

F3: Statutory

F4: Tally.NET

F5: Audit

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

The Outstanding Sales Order reports are available in Tally.ERP 9. It is possible to know the order position of any item in the Stock Summary. Separate Sales Order Outstanding report and Sales Order Summary report are also available.

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 Vouchers > press Alt + F5 or click on Sales Order

Inventory Voucher Creation		Date	Period
Sales Order No : 1		1-Apr-2008	01
Party's A/c Name	Customer A Current Balance	Quantity	Rate per
Name of Item		Quantity	Rate per
Item		5.00 nos	200.00 nos
Amount			
			1,000.00
End of List			
Narration		5.00 nos	1,000.00

Party's A/c Name

Select the Customers name from the List of Ledger Accounts. Press Alt + C to create a new account.

Order No

The Order number is automatically displayed. By default it will take the Voucher number as Order No. You can change this number if required.

Name of the Item

Select the Item for which the order is to be placed from the List of Stock Items. The Item Allocations sub-screen is displayed as shown.

Enter the details as shown.

Item Allocations for : Item For Order Number : 01		
Quantity	Rate per	Amount
Due on 1-Apr-2008 5.00 nos	200.00 nos	1,000.00
Due on [REDACTED]		

5.00 nos 1,000.00

Due on

Enter the due date for the Delivery of the items. This monitors outstanding Delivery of the items. If orders are split for different dates, then specify the due date for the first lot to be received. After selecting the quantity, rate and amount; specify the due date for the second lot and so on. After specifying the due dates for all the lots, press Enter in the Due on field to return to the Voucher Creation screen.

Note: Godown/ Location field will appear, if multiple-location feature is enabled in F11:Features (F2:Inventory Features).

Quantity, Rate and Amount

Enter the quantity of the item and its rate. The amount will be calculated automatically.

Narration

This field is optional. You can give some particulars about the order.

Altering a Sales Order:

To alter a Sales Order,

Go to Gateway of Tally > Display > Day Book

Or

Go to Gateway of Tally > Display > Inventory Books > Sales Orders Book

Make the necessary alterations and save.

Deleting a Sales Order

To delete a Sales order, press Alt + D in the Sales Order alteration screen.

Delivery Note. (Alt + F8):

The Delivery Note Voucher is used for recording goods delivered to a customer.

To pass the Delivery Note voucher,

1. From F11: Inventory Features, Enable the option Use Tracking Numbers (Delivery / Receipt Notes).
2. Go to Gateway of Tally > Inventory Vouchers
3. Press Alt+F8 or select the button F8: Dely Note from the button bar.

Under F12: Configure (Delivery Note Configuration) set Accept Supplementary Details to Yes.

Delivery Note Configuration

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

Allow Separate Buyer and Consignee Names ? Yes
 Use Common Ledger A/c for Item Allocation ? Yes
 Use Defaults for Bill Allocations ? Yes
 Use Additional Description(s) for Item Name ? No
 Consolidate Stock Items with same rates ? Yes

Exporters' Options

Specify Export Shipping details ? No
 Specify Marks & Nos./Container No. ? No
 Specify No. and Kind of Packages ? No

Other Options

Complete Accounting Allocations in Order/Delivery Note ? Yes
 Show turnover achieved with Customer ? No
 Allow modification of ALL fields during entry ? No
 Warn on Negative Stock Balance ? Yes
 Honor Expiry Dates usage for Batches ? Yes
 Show Batches with zero quantity ? Yes
 Calculate Tax on current Sub-Total ? Yes
(else calculations are on Inventory Total only)

For example, the company delivers goods to Customer A. If a Sales Order exists for that customer, selecting the appropriate Order Number from the List of Orders pop-up menu will automatically bring up the relevant particulars.

The screenshot shows a software window with the following details:

- List of Orders:** A dropdown menu titled "List of Orders" is open, showing options: "End of List", "New Number", and "Not Applicable".
- Delivery Note:** The number "01" is displayed.
- Despatch Doc. No:** "Despatched Through Despatcher"
- Buyers Address:** "Customer A"
- Sales Tax No:** (Field is empty)

Once you accept the Order details, the cursor will move to Name of Item column. On pressing Enter, the Item Allocations screen is displayed.

You may select an existing Tracking number or create a new Tracking Number. Tracking number is the reference to have a link between transactions. For eg: if Tracking Number is selected in the Delivery Note, this will automatically display the details of the items in the Sales Invoice.

Item Allocation			
	Item A		
Quantity	Rate per	Amount	
Tracking No : 1	Order No : 01	Due on : 1-Apr-008	
5.00 nos	150.00 nos	750.00	
		5.00 nos	750.00

The Delivery Note Voucher after completion will appear as shown :

Inventory Voucher Creation		MBC Company	Ctrl + M
Delivery Note	No. 1		1-Apr-2008 Tuesday
Ref:			
Party's A/c Name:	Customer A		
Current Balance:			
Name of Item		Quantity	Rate per
Item A		5.00 nos	150.00 nos
<input type="checkbox"/> End of List			
Narration:		5.00 nos	750.00

Partys A/c Name

Select the Party Ledger from the List of Ledger Accounts to whom goods are delivered.

Name of Item

Once we select the Order Number from the List of Orders, the item name will be displayed automatically.

Quantity, Rate and Amount

Since the Order number is selected from the List of Orders, quantities, rate and amount will be displayed automatically.

Rejection in. (Ctrl + F6):

A Rejections In Voucher is used to record goods that are rejected and returned by the customer. To enter the Rejections In Voucher,

1. From F11: Inventory Features, Enable the option Use Rejection Inward / outward Notes.
2. Go to Gateway of Tally > Inventory Vouchers
3. Press Ctrl+F6 or select the button F6: Rej. In from the Button Bar

For example, Customer A returns Item A delivered by the company.

Inventory Voucher Creation		ABC Company	CURRENT
Rejections In No. 1		1-May-2008	Thurs 02:39
Ledger Account	Customer's Name and Address		
Customer B	Customer B 301 Regency Building 2134 Colaba Seaface Mumbai		
Name of Item	Quantity	Rate per	Amount
2 GB USB Drive	120 Nos	1,250.00 Nos	1,50,000.00
Tracking No. 1	Class No. 1 Not Applicable		
		Max Return	120 Nos 1,250.00 Nos 1,50,000.00
Narration:	120 Nos	1,250.00 Nos	

Ledger Account

Select the Party's name from the List of Ledger Accounts, from whom the goods have been returned.

Customers Name and Address

Once Party's name is selected under Ledger Account, this column will be automatically populated with address, if provided in the Ledger Master creation screen.

Name of Item

Select the Item from the List of Stock Items. Press Enter button on the Item, it will display the Item Allocations screen.

Under the List of Tracking Numbers, the details of Delivery note along with Tracking number will be displayed, select the same. Mention the quantities returned.

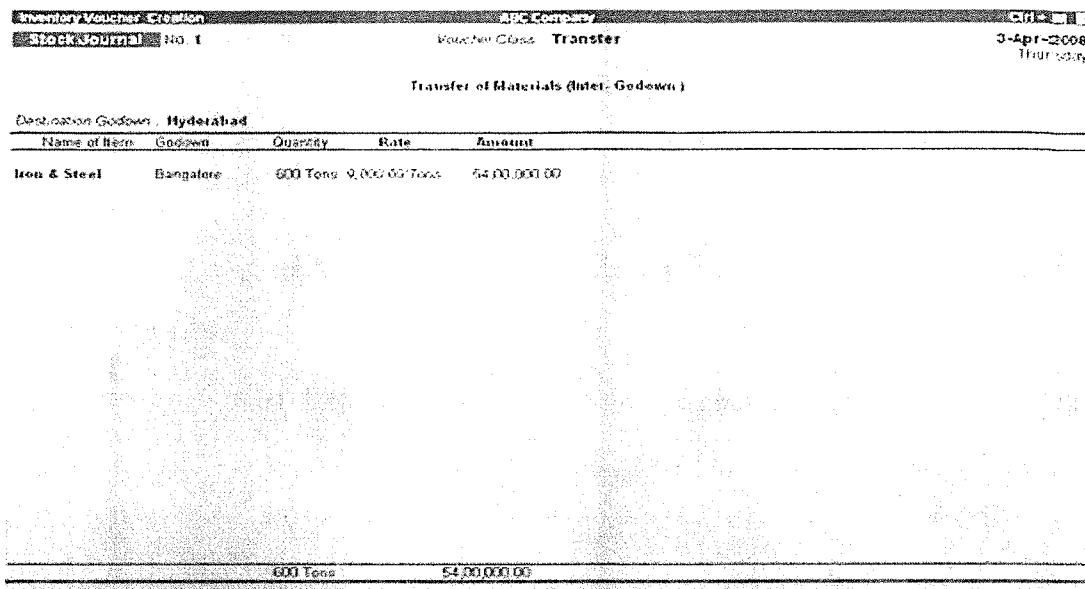
Narration

Give the narration, if required.

Stock Journal (Alt + F7):

For Inter Project / Site Transfer, use Stock Journal

Go to Gateway of Tally > Inventory Vouchers > Stock Journal.



- Narration:**
1. Select the Godown from the List of Godowns, to where Items are to be transferred.
 2. Select the item from the List of Items.
 3. Select the Godown from the List of Godowns, from where goods are transferred.
 4. Enter the Quantity and Rate, Amount will be displayed automatically.
 5. Enter the Narration, if required.

Physical Stock Voucher

Physical Stock Voucher is used for recording the actual stock which is verified or counted. It could happen that the Book Stocks and the Physical Stock do not match. It is not unusual that the company finds a discrepancy between actual stock and computer stock figure.

Physical vouchers will be useful for recording purposes only if you have configured inventory vouchers to ignore physical stock differences. If you have configured the vouchers so that physical stock difference is not ignored, then all transactions subsequent to the physical stock voucher will use the balance as mentioned in that voucher.

To view the Physical Stock Voucher,

Go to **Gateway of Tally > Inventory Vouchers**

1. Select the button **F10: Phys Stk** from Button Bar or press **Alt+F10**.
- 2.

Date

Enter the stock taking date.

Name of Item

Select the name of the item from the **List of items**, for which physical stocks need to be recorded.

Godowns

Select the Godown (Godown will appear only if, **Maintain multiple Godowns** is activated in **F11:Features :F2:Inventory Features**), in which the Physical Stock taking was conducted.

Batch / Lot No

Select the **Batch number (Batch details** will appear only if, **Batch wise details** are activated in the **Stock Item Master** screen) for which the Physical Stock quantity is to be recorded.

Quantity

Enter the **Physical Stock quantity**

Note: **Physical Stock quantity** will be displayed as Actual Stock in the Stock Summary from the date of entry of the Physical Stock.

GSTR-1:

Say for e.g. If a person has entered into a transaction of supply of goods, then there must be someone who would be the recipient of the supply of goods. Supplier of the goods would be originating point of the transaction and he would specify, in his return, details of the supply along with the recipient to whom supply has been effected. The return for the inward supplies of the recipient of the supply would get auto-populated with the details provided by the supplier in his return for the outward supplies. Thus, GSTR-1 becomes the base document upon which the entire compliance structure in GST would be based.

GSTR-2:

Once the supplier furnishes the details of the supply and recipient in GSTR-1, details would be auto-populated and communicated to the recipient in GSTR-2A. Recipient would confirm the details filled in by the supplier in GSTR-1 and reflected in GSTR-2A. If he agrees with the same, the transaction would be frozen and GSTR-2 would be prepared. However, if the recipient disagrees then recipient would communicate to the supplier about his disagreements which then would be reflected in GSTR-1A to the supplier. Supplier in turn would have the option to modify the details furnished in GSTR-1 as per the request of the recipient auto-populated before him in GSTR-1A or keep the details unchanged.

GSTR-3:

GSTR-3 would be a consolidated monthly return and will contain details of tax liability along with the tax collected on outward supplies and tax paid on inward supplies by registered person. It would be auto-populated through GSTR-1 and GSTR-2 of the registered person. There would be minimal manual intervention and system itself would be updating records.

GSTR-3:

Filing GSTR 3B form is mandatory for all those who have registered for the Goods and Services Tax (GST). The GSTR 3B is a simple tax return form introduced by the Central Board of Excise and Customs (CBEC) for the month of July and August. The forms - GSTR-1, GSTR-2 and GSTR-3 - for the months of July and August are to be filed in the month of September. In the interim, all GST registrants have to file GSTR-3B form.

It is must that you have a separate GSTR 3B file for each Goods and Services Tax Identification Number (GSTIN) you have. You can mention only total values for each field in this form; invoice level information is not required for this form.

An important point to note is that some portions of Part B of GSTR-3 will be automatically populated from GSTR 3B file. So, in case there is any discrepancy between the two forms you can correct GSTR-3 later and deposit the taxes payable.

GSTR 3B must be filed by everyone who has registered for GST. However, individuals such as - Input Service Distributors, Composition Dealers, Suppliers of online information and database access or retrieval services (who have to pay tax themselves as per Section 14 of the IGST Act, and Non-resident taxable person - do not have to file GSTR 3B.

Invoice Entry: When a sales transaction is made ,a document detailing the transaction(itemname, tax etc) has to be given to the buyer or debtor as proof of purchase by him. This document is called invoice or bill or cash memo.

Note: sales voucher is the invoice entry

Payroll: Tally payroll is integrated with accounting to give the user the benefits of simplified payroll processing and accounting. Tally payroll enables the user to set up and implement salary structures, ranging from simple to complex as per the organization's requirements. You can also align and automate payroll processes and directly integrate them with main stream accounting applications.

Enabling payroll in tally

Goto gateway of tally -> f11: features -> accounting features ->set maintain payroll to yes and also you can set more than one payroll/ cost category to yes if you wish to process the payroll.

Questions

1. what is an invoice?
 - 2.write a note on:
 - a) Memorandom voucher
 - b) credit note
 3. Explain 1.purchase return 2.Reversing journal 3.sales order
 - 4.Explaing Gstr1,Gstr2 and Gstr3
-

CHAPTER-5

Tally Reports

Introduction

Reports play an important role for businesses to help manage their day-to-day business operations efficiently. Understanding this need, Tally.ERP 9 provides many insightful reports. Reports in Tally.ERP 9 are designed to suit all the aspects of accounting management, inventory management and statutory.

Balance Sheet

The Balance Sheet gives a complete glance of the financial position of a business. The Balance Sheet in Tally.ERP 9 shows the assets and liabilities of a company. From the Gateway of Tally screen, a business owner can access the Balance Sheet. The Balance Sheet can be configured using F12 configuration in Tally.ERP 9. Tally.ERP 9 also offers Schedule VI Balance Sheet for businesses. The Balance Sheet can be viewed for any given dates. Multiple valuation types are given for defining stock valuations such as FIFO, LIFO, Average Cost, Average Price and many more.

Stock Summary

The Stock Summary report displays the current position of stocks or stock in hand for a particular date. From this Tally report a business owner can view item-wise rates, quantity and value of stocks available. The Stock Summary report in Tally.ERP 9 also enables business owners to view gross profit at each item level based on landing cost and sales price. It also shows the status of stocks available across various godowns. The user can see the net stock position by considering purchase and sales orders which are yet to be processed.

Profit & Loss Account

The Profit & Loss report in Tally.ERP 9 shows a company's net profit or loss in a given period. By default, this Tally report considers the period starting from the date when the books begin to

the entry date of the last voucher. The Profit & Loss report in Tally.ERP 9 can be configured with F12 configuration available within the report. A business owner can see Schedule VI Profit & Loss account or P&L statement in vertical format based on the requirements.

Ratio Analysis Report in Tally.ERP 9

The Ratio Analysis report is a powerful report for financial analysis in Tally.ERP 9. The multiple ratios in the report give a clear understanding of the financial position of a business. These are Debt Equity Ratio, Quick Ratio, Return on Working Capital, Return on Investment and so on. This is one of the key Tally report.

Trial Balance

A trial balance is a summary of all ledger balances, and helps in checking whether the transactions are correct and balanced. If journal entries are error-free and posted correctly to the general ledger, the total of all debit balances should be equal the total of all credit balances.

Note : By default, the **Trial Balance** report will be generated as on the date of the last voucher entry. You can change the date to view the report for the required period.

Account Books in Tally 9

Books of account record the individual transaction details you have entered. Although you may post items to many different ledgers, Tally brings all the transactions of one category together into a book of account for viewing and printing. For example, the Cash Book records all the transactions affecting cash, the Sales Book records all the sales transactions.

- 1) All books are displayed first as a monthly summary with opening and closing balances.
- 2) Select a month and press [enter] to display all transactions for the month. The opening and closing balances as well as transaction totals are also displayed.
- 3) Select a transaction to bring up the voucher. This voucher comes up either in display or in alteration mode depending upon the access rights available to you.

Cash Book

A **cash book** is a financial journal that contains all **cash** receipts and payments, including bank deposits and withdrawals. Entries in the **cash book** are then posted into the general ledger.

Bank Book

A **Bank book** is a financial journal that contains all bank deposits and withdrawals.

Sales Register

Sales Register displays the monthly summary of sales transactions and closing balances. The list of transactions pertaining to each month can be viewed by selecting that month. You can change the display according to the information required.

The period of the report and the content details can be modified. Columnar periodic reports can be generated using **Alt+N: Auto Column** for different periods as shown by the columnar details list. You can also compare similar data of two or more companies stored in the same data directory.

With the sales register you can:

- Analyse the periodic turnover using the option **F2: Period**.
- Compute the periodic taxes on such turnovers.
- Trace the errors made while recording the transactions.
- Analyse the sales returns during the year and take timely action to remove undesirable causes.
- Analyse the performance of godown, salesperson, sales area, and so on, with the help of cost centre and cost category report.

To know more, click the links below:

- [Columnar Sales Register](#)
- [Monthly Sales Summary](#)
- [Extract of Sales Register](#)
- [Sales Register with Profitability](#)
- [Comparative Sales Register](#)

Purchase Register

A Purchase Register displays the information on the periodic purchases of a business concern. Purchase register helps in analyzing the details of movement of purchased goods to various godowns, on the basis of which the stock movement at each godown is determined.

Go to **Gateway of Tally > Display > Account books > Purchase Register**

The following screen is displayed.

Purchase returns made during a year can also be traced. The parties to whom the purchase returns have been made and the causes thereof can be analysed to draw conclusions on the supplier and the quality of purchases made.

A Purchase Register can be configured using the **Ctrl+F12: Value** button to view the following information.

- Actual Quantity
- Billed Quantity
- Date
- Bill Name
- Cost Centre
- Cost Category
- Voucher Number
- Narration
- Stock item
- Godown Name

Journal Register

It shows the report of Debit Note, Credit Note & Journal voucher reports.

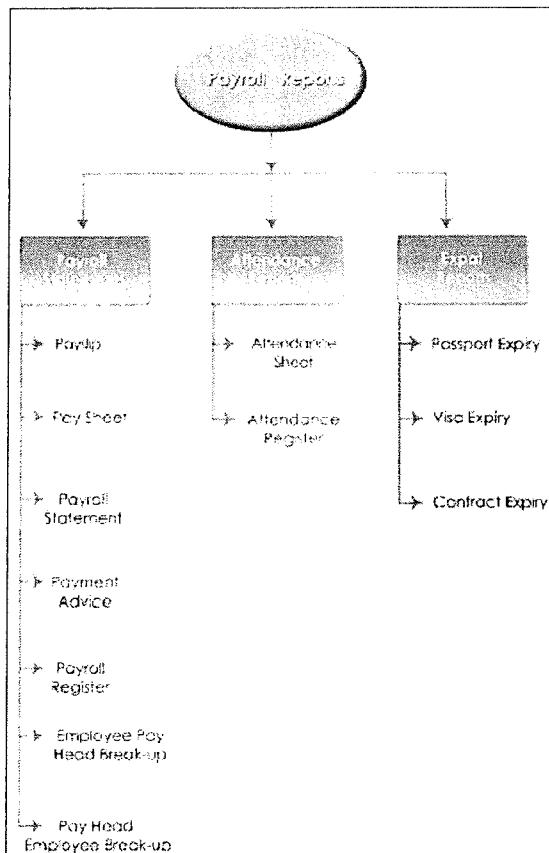
Cash Flow/Fund Flow

The Cash Flow report in Tally.ERP 9 has been provided to help get a view of cash inflow and outflow during an accounting period. This report makes it easy for business owners to understand the cash flow situation for a specific period and helps make decisions.

Pay roll Reports

Chart showing Payroll Reports in Tally.ERP 9

Payroll Reports in Tally.ERP 9



We shall discuss each report in detail in the sections as explained below:

Pay Slip

A Pay Slip refers to a document issued to an employee, which itemises each component of his/her earnings and deductions and the net amount paid for a given pay period. It provides

particulars on how the net amount has been arrived at i.e., how much money has been earned and how much tax / deductions have been made.

Display Pay Slip

Go to Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Pay Slip >Single Pay Slip

- Select the required Employee and press Enter

The Pay Slip for the selected employee is displayed as shown:

Pay Slip

Pay Slip		Wipro IT Services India Pvt Ltd		Print					
Pay Slip for April 2009									
Vijay Kumar									
Employee Number	543	Income Tax Number/PAN	AP019224E						
Function	Manager	PF Account Number	KADK1310456						
Designation	Manager	TIN Number							
Location	Bangalore	Accepter Details	IM-090-PASS-41115						
Bank Details	ITI Bank Ltd, HFC Bank, Hennamangala	Visa Expiry Date							
Date of Joining	1 Apr 2009								
Attendance Details		Value							
Present	26 Days								
Earnings									
Basic	10,000.00	Gross Salary	10,000.00	Deductions	Amount				
Hra First Allowance	4,000.00		4,000.00	Provision of Tax	200.00				
Conveyance	300.00		300.00	Pf @ 12%	720.00				
Medical Fd	85.00		85.00						
Vanue Fd	1500.00		1500.00						
Total Earnings	17,125.00		17,125.00	Total Deductions	993.60				
				Net Amount	16,115.40				

(CBSC Scheme)
Computer Science
Paper 6.3 – MIS AND ERP

Time: 3 Hours

Max marks: 90

SECTION – A

Answer any **TEN** of the following. (10 x 1 =10)

1. Define MIS.

A management information system is an information system that evaluate analyzes and process an organization data to produce meaning and useful information based on the management organization.

2. What is e-commerce?

Ecommerce is also known as electronic commerce or internet commerce, refer to buying and selling of goods or services using the internet.

3. Define equity.

In accounting equity is the difference between the value of the assets and the value of the liabilities of something owned.

Equity = Assets - liabilities

4. What is an invoice?

Invoices are similar to vouchers, when a sales transaction is made a document detailing the transaction has to be given to buyer or debtor as proof of purchase is called invoice .

5. Which are the 2 predefined ledger in Tally ERP9?

*Cash

*Profit and Loss

6. Define e-governance.

Electronic governance is the application of information and communication technology for delivering government services exchange of information, communication, integration and services between government-to-citizen(G2C), government-to-Business(G2B), government-to-Employees(G2E), government-to-Government(G2G).

7. Define Godowns.

The Godown is a place in which you can keep the stock items, you may have one or more than one godown depending upon your business.

8. Define stock items.

A stock item refers to those items that you keep physical stock in your store.

Eg: computer, bulb etc.

9. What is debit note?

Debit note is used to enter the transaction related to purchase returns.

Function key is CTRL+F9.

10. Define assets.

In financial accounting, an asset is any resource owned by the business. Anything tangible or intangible that can be owned by the company.

11. Define Voucher.

A voucher is an accounting document representing an internal intent to make a payment to an external entity such as vendor.

12. Define Day book.

Day book is used to display the day by day transaction of the voucher.

SECTION – B

Answer any Five of the following. (5 x 3 = 15)

13. Briefly explain characteristics of MIS.

1. Management oriented

This means that the system is designed around the need felt by the management at different levels for information. The focus of the system is to satisfy the information needs of management and hence it is top-down (Management to employee's flow).

2. Management directed

*Management is involved in the designing process of MIS and also in its continuous review and up gradation to develop a good qualitative system.

*The system is structured as per directions factored by management. This helps in minimizing the gap between expectations of management from the system and the actual system.

3. Integrated

*MIS is integrated with all operational and functional activities of management.

*In order to provide a complete picture of the scenario, complete information is needed which only an integrated system can provide.

4. Common data flows

*Through MIS the data being stored into the system, retrieved from the system and processed by the system can be handled in an integrated manner.

*The integrated approach towards data management will result in avoiding duplication of data, data redundancy and will help to simplify operations.

5. Strategic planning

MIS cannot be designed overnight. It requires very high degree of planning which goes into creating an effective organization. The reason for this kind of planning is to ensure that the MIS being built not only satisfies the information need of the managers today but can also serve the organization for the next five to ten years with modifications. Sometimes when the planning part is done away with, systems tend to perform well in the present, but they tend to become obsolete with time. Planning helps to avoid this problem.

6. Bias towards centralization

*Centralized data management helps MIS to do version control as well as to provide integrated common view of the data to the managers.

*In a **non-centralized** system, data will get entered, updated and deleted from the system from different locations. In such a case it becomes difficult to provide correct information to managers. *A **centralized** system where data is entered, updated and deleted from only one location will be updated in all the locations (common database).

14.Explain scope of e-commerce.

E-commerce creates new opportunities for entrepreneurial start-ups. Ease of Internet access, Safe and secure payment modes coupled with aggressive marketing by E-Commerce Giants has revolutionized this segment. Rapid development in mobile technology has given way to **Mobile Commerce** with many E-Commerce companies shifting to App only model.

Few of the basic advantage of E-commerce which is going to lead its success from front are:

- Time saving
- Environment friendly
- Saves space for physical stores and expenses related to it.
- Round the clock availability
- Unlimited business opportunity
- Unlimited options, etc.

15.what is the difference between purchase order and sales order?

Purchase order	Sales order
The order given to the suppliers to supply the required items.	The order given by customer to buy the specific items.
Function key ALT+F4	Function key ALT+F5
The buyer acts as the author of the document.	The supplier becomes author of the document.

16.Define sundry creditors and sundry debtors.

Sundry creditors: This is a subgroup under current liabilities create all supplier A/C of the company under this group. It is also called as vendor accounts.

Sundry debtors: This is a subgroup under Current assets create all customer A/C of the company under this group. It is also called as receivable account.

17.What are the compulsory things to be specified when creating a company?

- Name should be there
- Mailing name
- Address
- E-mail address
- Country
- State
- Tax number
- Accounting type

18.Write the difference between structured vs un-structured decision

<u>structured</u>	<u>Unstructured</u>
<ol style="list-style-type: none"> 1. Structured decisions are the decisions which are made under the established situations 2. Structured decisions are the programmable decisions and they are preplanned 3. Structured decisions are made in the situations which are fully understood 4. Structured decisions are generally made for routine tasks, for instance the hiring of new IT specialists in a firm 5. Structured decisions are made for specified processes 	<ol style="list-style-type: none"> 1. unstructured decisions are made under the emergent situation, for example fire breakout. 2. unstructured decisions are creative and they are not preplanned . 3. unstructured decisions the situations are uncertain and unclear. 4. unstructured decisions are made for a sudden one-shot kind of situations, for instance, dealing with a labor strike in a factory. 5. unstructured decisions are made for general processes.

19.What is debit and credit?

Debit is nothing but what you pay.

A Debit card will charge your bank account directly.

Credit is what somebody else pays for you.

A Credit card will charge your bank account some time later.

In both cases the shop owner has the money available directly. It's called Credit because somebody believes you will be able to pay your debt on time.

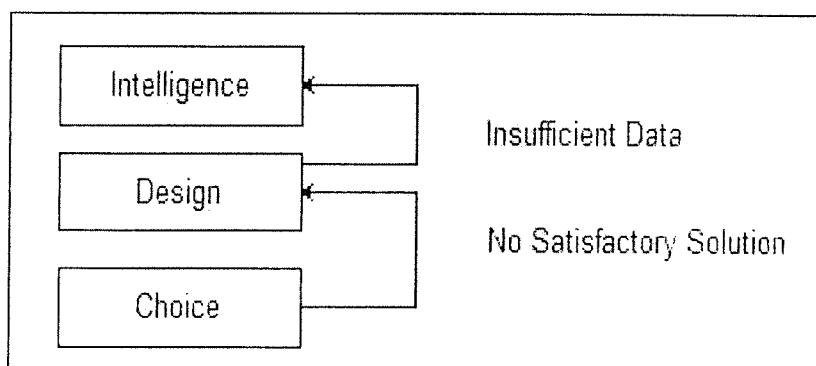
SECTION – C

Answer any **SIX** of the following. (6 x 5 = 30)

20.Explain Simon's model of decision making.

- Intelligence which deals with the problem identification and the data collection on the problem.
- Design which deals with the generation of alternative solutions to the problem at hand.
- Choice which is selecting the 'best' solution from amongst the alternative solutions using some criterion.

The figure given below depicts Simon's decision-making model clearly.



Intelligence Phase

This is the first step towards the decision-making process. In this step the decision-maker identifies/detects the problem or opportunity. A problem in the managerial context is detecting anything that is not according to the plan, rule or standard.

Intelligence phase of decision-making process involves:

Problem Searching: For searching the problem, the reality or actual is compared to some standards. Differences are measured & the differences are evaluated to determine whether there is any problem or not.

Problem Formulation: When the problem is identified, there is always a risk of solving the wrong problem. In problem formulation, establishing relations with some problem solved earlier or an analogy proves quite useful.

Design Phase

Design is the process of designing solution outlines for the problem. Alternative solutions are designed to solve the same problem. Each alternative solution is evaluated after gathering data about the solution. The evaluation is done on the basis of criteria to identify the positive and negative aspects of each solution. Quantitative tools and models are used to arrive at these solutions. At this stage the solutions are only outlines of actual solutions and are meant for analysis of their suitability alone. A lot of creativity and innovation is required to design solutions.

Choice Phase

It is the stage in which the possible solutions are compared against one another to find out the most suitable solution. The 'best' solution may be identified using quantitative tools like decision tree analysis or qualitative tools like the six thinking hats technique, force field analysis, etc.

21.Explain formal vs informal system.

Formal information system is composed of:

- information resources (archives, databases),
- information users (internal or external to the organization),
- information needs of users (employees or managers),
- communication subsystem (technology).

It is characterized by the following features:

Formal **information system** is used primarily for analysis, preparation and transfer of information. One of many tasks of managers is development of

Informal information system covers all areas of the organization that is not described by the formal organizational structure (organizational chart, procedures, work descriptions, organizational documentation). Any contact between employees, customers or suppliers which are not described in operational procedures enforced in the organization is a manifestation of the informal information system.

- casual conversation,
- rumours about employees, customers, competitors,
- exchange of news on topics unrelated to work,
- messages in social media and blogs,
- conversation over coffee or lunch, etc.

Both formal and informal information system coexist in the organization and are essential to its smooth functioning.

22.What are the function of accounting?

1. Systematic record of business transactions:

“The first main function of accounting to keep systematic record of business transactions post them to ledger and ultimately to prepare the financial accounts”

2. Protecting the property of business:

For performing this function, the accountant is required to develop such a system of recording information so that asset of the business or not put to wrong use and a complete record of the assets of the concern is available without any difficulty.

3. Communicating results to interested parties:

This function requires to supply the meaningful information about the financial activity of the business to the various parties i.e. owners, creditors, investors, employees, government, public, research, scholars and the managers at the right time.

4. Compliance with legal requirements :

The accounting system of any business should comply with the legal requirements. Under various enactments a business man is required to file various statements.

Ex: Income tax return, Return of sale, tax purposes

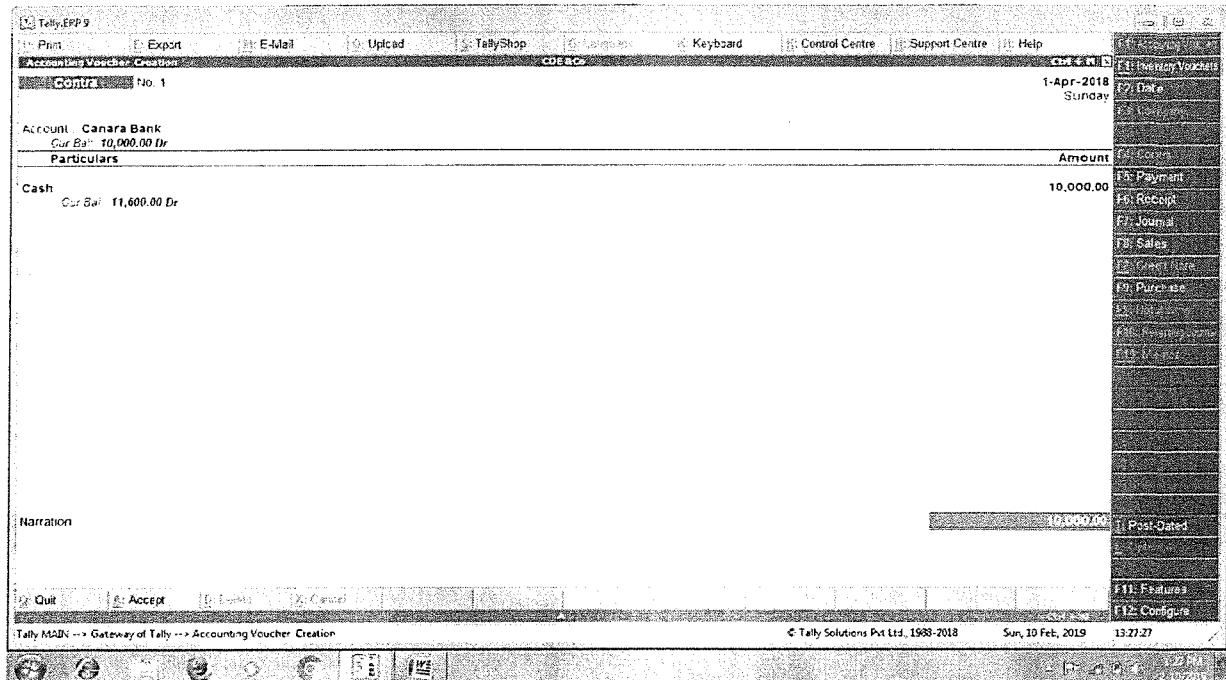
23.Explain Contra voucher.

Cash or Cheque deposited into bank, cash withdraw from bank, transfer of funds from one bank account to another bank will be entered through contra voucher. This account should be created under the group of Bank account or bank OCC A/C.

- If the account is deposited into the bank, then Bank A/C will be debited and Cash A/C will be credited
- If the amount is withdraw from the bank, then Cash A/C is debited and Bank A/c is credited.
- If one bank's Cheque is deposited into another bank, then the first Bank A/C is credited and latter Bank A/c is debited.
- Contra voucher Function key is F4
- The background color is white.

Example:

Rs.10,000 is deposited in Canara Bank Account
Canara bank under Bank Account



24.What are the special features of Tally?

- Simplicity :**Tally.ERP 9 is simple, easy to setup and use. It also allows easy Keyboard operations. It requires basic knowledge of Accounts and English to use it.
- Auditor's Edition :**Tally.ERP 9 offers a special Auditors' Edition of Tally.ERP 9, which provides auditing and compliance capabilities exclusively for Chartered Accountants.
- Support Centre :**allows a user can directly post his support queries on the functional and technical aspects of the Product.
- Control Centre :**works as an interface between the user and Tally.ERP 9 installed at different sites and enables the user to centrally configure and administer Site/User belonging to an account.
- Remote Access :**Tally.ERP 9 provides remote capabilities to access the data from anywhere and anytime.
- Tally.NET :**is an enabling framework which establishes a connection through which the remote user can access the Client's data without copying / transferring the data.
- Online Help :**The Tally.ERP 9 Online Help (Alt+H) provides instant assistance on basic and advanced features or any other relevant topics of Tally.ERP 9.
- Technical support :**Timely support is available from our experts at the Tally Service Partners.
- Accounting without Codes :**Tally.ERP 9 allows accounting with the regular names (the way you spell them or use in normal parlance) without any account codes.
- Real time processing :**Immediate posting & updation of books of accounts as soon as the transactions are entered, thereby facilitating instant statements & Reports. It also facilitates real-time multi-user environment

- **Concurrent multi-lingual capability** :Tally.ERP 9 offers you the exclusive capability of maintaining your accounts in any Indian language, viewing them in another language and printing them in yet another Indian language.
- **Scalability** :Tally.ERP 9 suits to any style of business needs and eliminates the necessity for a business to change its style of operation, in order to adapt to the application.
- **Flexibility** :Tally.ERP 9 provides flexibility to generate instant reports for any given period (month/year) or at any point of time besides providing the facility to toggle between Accounting & Inventory reports of the same company or between companies.
- **Power** :Tally.ERP 9 allows the user to maintain multiple companies and with unlimited levels of classification & grouping capabilities. It also allows drill downfacility from report level to transaction level.
- **Speed** :Tally.ERP 9 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 company.

25.Explain different types of units of measure.

Stock items are mainly purchased and sold on the basis of quantity. The quantity in turn is measured by units.

There are two types of unit measure

*Simple unit and measure

*Compound unit and measure

Simple unit and measure

simple units are take only single or one unit of measure

Ex: nos (number)

To create **goto gateway of tally> inventory info> units of measure> create. Simple**

Unit Creation	
Type	: Simple
Symbol	: nos
Formal name:	Numbers
Number of decimal places:	0

Compound unit and measure

Compound unit take one or more units and measure

Ex: Dn()dozen

To create goto gateway of tally> inventory info> units of measure> create. Compound

Unit Creation

Type : **Compound**

Units with Multiplier Factors
(example: Kgs of 1000 gms)

First Unit Conversion Second Unit

doz of 12 nos

26. Define ledger. Name any few ledger accounts which be created under the group of indirect expenses and bank account.

Ledger is the accounting head used to transactions all the accounting voucher.

Indirect expenses

- Salaries under **indirect expenses**
- Telephone under **indirect expenses**
- Electricity expenses under **indirect expenses**
- Interest under **indirect expenses**

Ledger Creation

Name (alias)	Salary A/c	CDE & Co.	Total Opening Balance
Under	Indirect Expenses	Mailing Details	
Inventory values are affected Type of Ledger	? No ? 3 Not Applicable	Name Address	
		Country	
		Provide bank details	? No
		Tax Registration Details	
		PAN/TIN	
Opening Balance (on 1-Apr-2018) :			

Bank account

- SBI Bank under **Bank Account**
- Canara Bank under **Bank Account**
- ICI Bank under **Bank Account**
- Syndicate under **Bank Account**

Name (alias)	Bank Accounts (Current Assets)	Name Address	Mailing Details	Total Opening Balance
Under			Canara Bank Tumkur	
Bank Account Details				
A/c holder's name	CDE & Co			
A/c no.	123456789			
IFS code	CNRA0123456			
Bank name	J Not Applicable			
Branch	Tumkur			
Bank Configuration				
Set cheque books	? No			
Set cheque printing configuration	? No			
Opening Balance (on 1 Apr 2018) : XXXXXXXXXX				

27. Write a note on :

- (a) Memorandum voucher
- (b) Credit Note

Memorandum voucher:

Memorandum is purely a non-accounting voucher. This is the entries in this voucher do not affect the accounts because, these entries are not posted to ledger and they do not affect the final result of the company.

- Memorandum entries are made if any suspense payment.
- Function key is Ctrl+F10
- To use memorandum voucher F11:company features, in Accounting features select YES to option use Reversing journal and optional Voucher.

Credit Note

Credit note is used to enter the transaction related to sales returns.

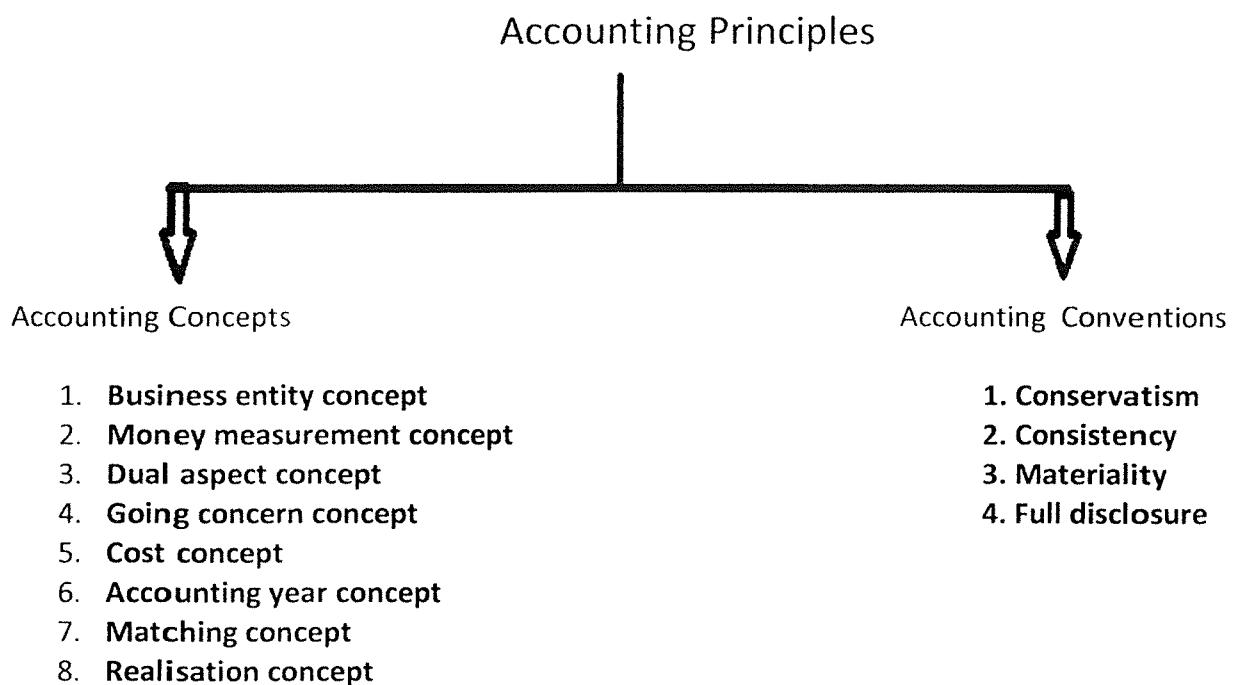
- To enter a credit note press Function key Ctrl+F8.
- To use credit note F11: company features, in Accounting features select YES to option use Debit/credit note and use invoice mode for credit note
- If it is not displayed in invoice mode, select invoice on the right side OR press Ctrl+V.

SECTION – D

Answer any FIVE of the following.

(5 x 7 = 35)

28. Briefly explain accounting principles.



Accounting Concepts

1. **Business entity concept:** A business and its owner should be treated separately as far as their financial transactions are concerned.
2. **Money measurement concept:** Only business transactions that can be expressed in terms of money are recorded in accounting, though records of other types of transactions may be kept separately.
3. **Dual aspect concept:** For every credit, a corresponding debit is made. The recording of a transaction is complete only with this dual aspect.
4. **Going concern concept:** In accounting, a business is expected to continue for a fairly long time and carry out its commitments and obligations. This assumes that the business will not be forced to stop functioning and liquidate its assets at “fire-sale” prices.
5. **Cost concept:** The fixed assets of a business are recorded on the basis of their original cost in the first year of accounting. Subsequently, these assets are recorded minus depreciation. No rise or fall in market price is taken into account. The concept applies only to fixed assets.
6. **Accounting year concept:** Each business chooses a specific time period to complete a cycle of the accounting process—for example, monthly, quarterly, or annually or a calendar year.

7. **Matching concept:** This principle dictates that for every entry of revenue recorded in a given accounting period, an equal expense entry has to be recorded for correctly calculating profit or loss in a given period.
8. **Realisation concept:** According to this concept, profit is recognised only when it is earned. An advance or fee paid is not considered a profit until the goods or services have been delivered to the buyer.

Accounting Conventions

There are four main conventions in practice in accounting: conservatism; consistency; full disclosure; and materiality.

Conservatism is the convention by which, when two values of a transaction are available, the lower-value transaction is recorded. By this convention, profit should never be overestimated, and there should always be a provision for losses.

Consistency prescribes the use of the same accounting principles from one period of an accounting cycle to the next, so that the same standards are applied to calculate profit and loss.

Materiality means that all material facts should be recorded in accounting. Accountants should record important data and leave out insignificant information.

Full disclosure entails the revelation of all information, both favourable and detrimental to a business enterprise, and which are of material value to creditors and debtors.

29.Explain balance sheet, profit and loss account and stock summary.

Balance sheet

Balance sheet is a statement of the financial position of the company. Balance sheet is not an account but only a statement containing the Assets and Liabilities of the business on a particular period .

Balance sheet has two sides, in the left hand side shows Liabilities and on right hand side show Assets.

Gateway of Tally>>Reports>>Balance sheet>>press F1

Liabilities		CDF &Co as at 1-Apr-2018	Assets	CDF &Co as at 1-Apr-2018
Current Liabilities	12,000.00			
Loans (Liability)			Fixed Assets	1,00,000.00
Current Liabilities	70.00		Current Assets	21,740.00
Difference in opening balances	70.00		Profit & Loss A/c	3,400.00
			Opening Balance	
			Current Period	3,400.00
Total	1,26,140.00		Total	1,26,140.00

Profit and loss account

Profit and loss account consider all such expenses and income and also gives the net profit made or loss suffered by a business during a particular period.

Gateway of Tally>>Reports>>Profit and loss

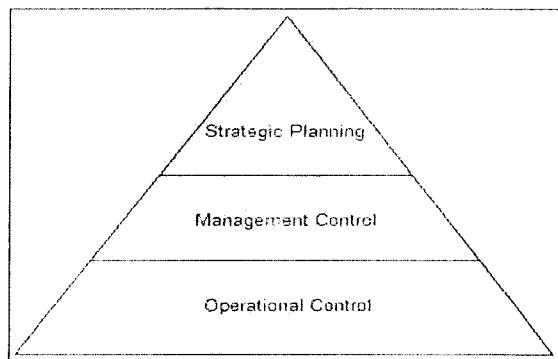
Particulars	Abc For 1-Apr-2019	Particulars	Abc For 1-Apr-2019
Purchase Accounts	2,25,000.00	Sales Accounts	1,37,500.00
Direct Expenses	1,200.00	Closing Stock	1,00,000.00
Gross Profit c/o	11,300.00		
	<u>2,37,500.00</u>		<u>2,37,500.00</u>
Indirect Expenses	5,000.00	Gross Profit b/f	71,300.00
Net Profit	12,300.00	Indirect Incomes	6,000.00
Total	17,300.00	Total	17,300.00

Stock summary

Stock summary in tally it gives the report of various stock item under their respective stock group. The stock summary gives the quantity of stock item, rate and their value of amount.

Gateway of Tally>>Reports>>Stock summary

30.Explain the framework for understanding MIS.



Management Function	Strategic Planning	Management Control	Operational Control
Planning	Long-range, high impact	Medium range, medium impact	Short range, low impact
Organizing	General framework	Departmental level	Small unit level
Staffing	Key senior people	Medium level, tactical level	Operational level
Directing	General and long range Directives	Tactics	Routine activities
Controlling	Aggregate level	Periodic control and controlling exceptions	Regular and continuous supervision

The idea of an organization's hierarchy from the perspective of managerial activities. As is clear, it is a three-level pyramid with very distinct levels. Each level has its own set of tasks and decisions to take which have a varying impact on the organization as a whole.

Strategic Planning

This requires focusing on the objectives and goals of the organization, on changes in the objectives, on the resource requirements to fulfill the objectives and on the guiding principles and policies that will govern the acquisition, use and disposal of resources to attain the objectives. In short, this role is the most important role in the management hierarchy and the decisions taken by managers in this role have a far-reaching impact on the organization. Managers in this role set the direction in which the organization will travel. In terms of hierarchy, this lies at the top.

Managerial Control

This requires that resources are acquired and used effectively and efficiently to attain the objectives of the organization. This is a middle management role. Managers in this role take guidance from the strategic planning hierarchy and control the activities of the organization such that the goals set by the higher level are attained in an efficient and effective manner. The impact of the decisions of the managers in this role is medium term and degree.

Operational Control

This requires that directives as set by the immediate higher hierarchy is followed and that specific task/s are carried out effectively and efficiently. The decisions at this level have very little impact on the organization. The organization behaves in a routine nature where the parameters of the decision-making process are well laid and certain.

31.Explain sub-groups with example.

- a) Cash in hand
- b) Duties and taxes
- c) Loans and advances
- d) Provisions
- e) Reserves and Surplus
- f) Bank OD Account
- g) Unsecured loans

Cash in hand:-

This is subgroup under current assets there is already one system defined cash a/c under this group. So need not to be create cash a/c under this group.

If necessary the user should create petty cash a/c under this group

Eg: 1.Cash under cash in hand

2.Petty cash under cash in hand

Duties and taxes:-

This is a subgroup under current liabilities create all Duties and taxes A/C that are collected from customer and payable to various government under this group.

Eg: 1.sales tax collection under Duties and taxes

2.vat@ 4% under Duties and taxes

Loans and advances:-

This is subgroup under current assets create all loans and advance accounts that are given by the company to staff members or outside under this group.

Eg: 1.customer loan under loans and advance

2.Employee loan under loans and advance

Provisions:-

This is a subgroup under current liabilities create all Provisions account set aside from profit to meet any unpaid expenditure of the current year or unforeseen losses of future year under this group.

Eg: 1.Provision for sales tax under Provisions

Reserves and Surplus:-

This is a subgroup under Capital account. It has an alias name called retained earnings create all reserve a/c set aside from profit for future development of business under this group.

Eg: 1.general reserve specific like generator reserve a/c.

Bank OD Account:-

This is a subgroup under Loan liabilities. it has an alias name called Bank OCC account create all loan a/c borrowed by the company for the purpose of working capital under this group.

Eg: 1.SBI OD a/c under Bank OD Account.

Unsecured loans:-

This is a subgroup under loan liabilities create all loan A/c borrowed by the company without any security under this group.

Eg: loan from a friend or father etc.

32.Define single and multiple ledger and write the steps to create,delete and modify.

Single ledger: The single ledger will ask for various details like address and contact info for a personal ledger. ledger is a book which contains various accounts

Eg: computer A/c, salary a/c etc.

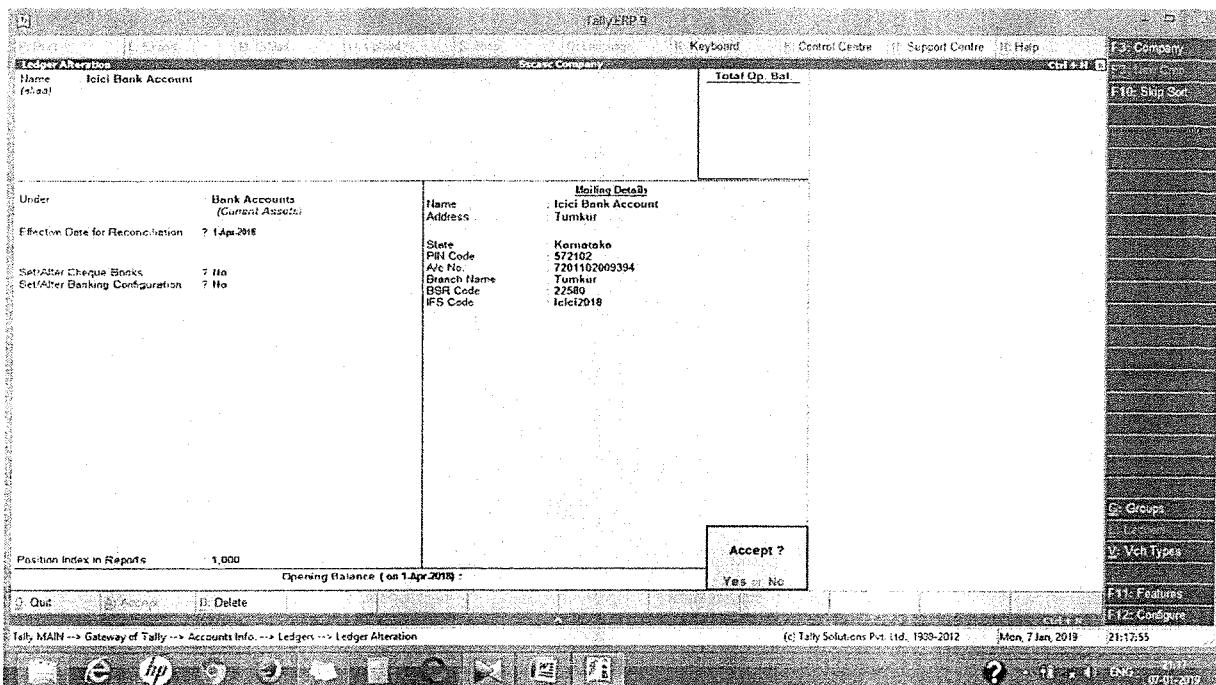
Multipl ledger: The multiple ledger it creates in tally is very useful and time saving feature

Eg: laptop sales under sales account

HP laptop sales under laptop sales

Single ledger

Step 1:Gateway of Tally → Accounts Info → Ledgers → Single Ledger → Choose Create

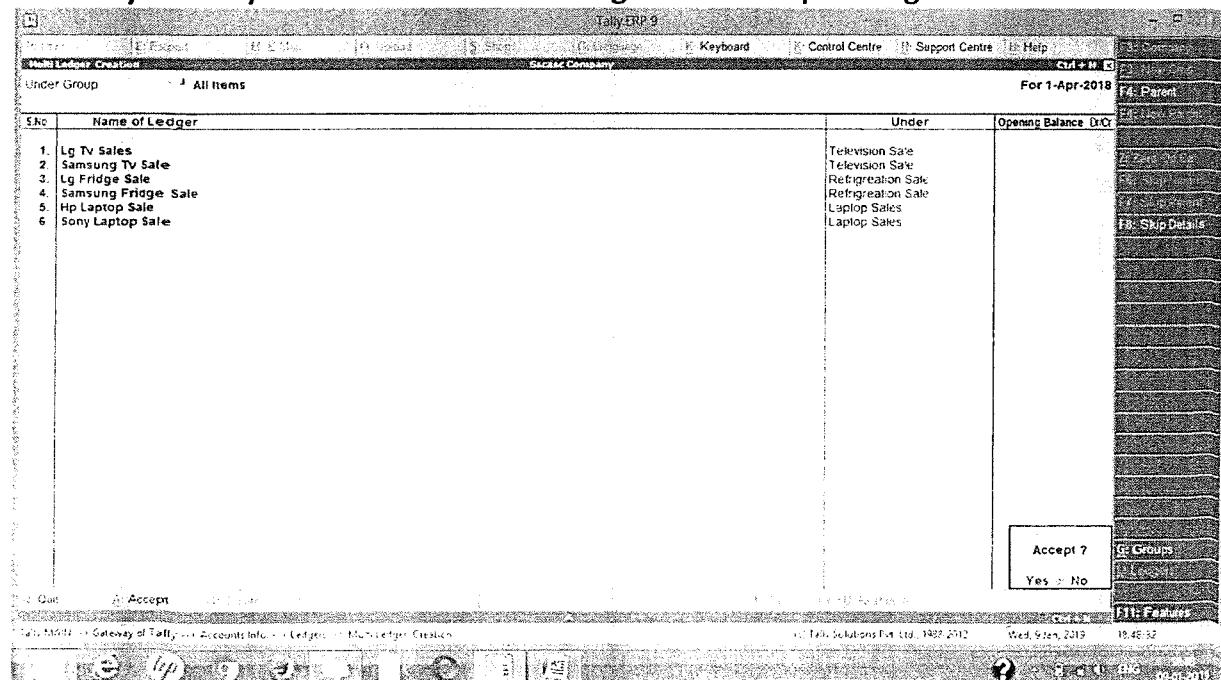


For Alter: **Gateway of Tally → Accounts Info → Ledgers → single Ledger → Press Alt+F3 > Alte**

For Delete: **Gateway of Tally → Accounts Info → Ledgers → single Ledger → Alt+D**

Multiple Ledger

Gateway of Tally → Accounts Info → Ledgers → Multiple Ledger → Choose Create



For Alter: Gateway of Tally → Accounts Info → Ledgers → Multiple Ledger → Press Alt+F3 > Alte

For Delete: Gateway of Tally → Accounts Info → Ledgers → Multiple Ledger → Alt+D

33. Name any five accounting reports that can be displayed or print in tally

1. **Cash book:-** cash book display all cash account under the group cash in hand.

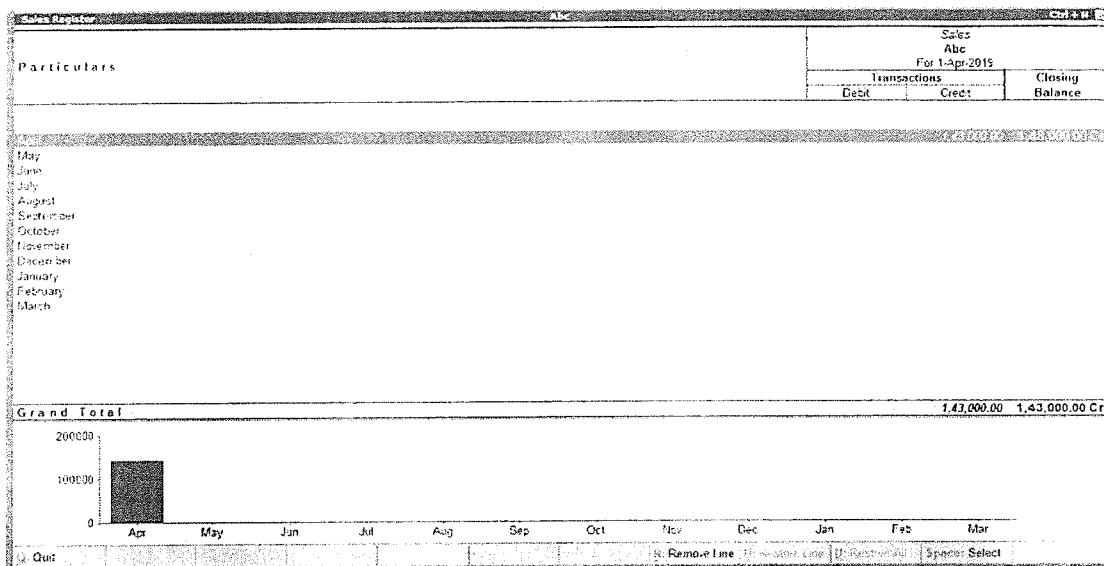
To display cash book

Goto gateway of tally>> Display>>Account book>>cash/Bank book

Particulars		Debit	Credit
			Bank Accounts
			Abc1 & Co
			For 1-Apr-2018
			Closing Balance
		3,32,800.00	
		75,000.00	
		75,000.00	
			Grand Total
			4,07,800.00

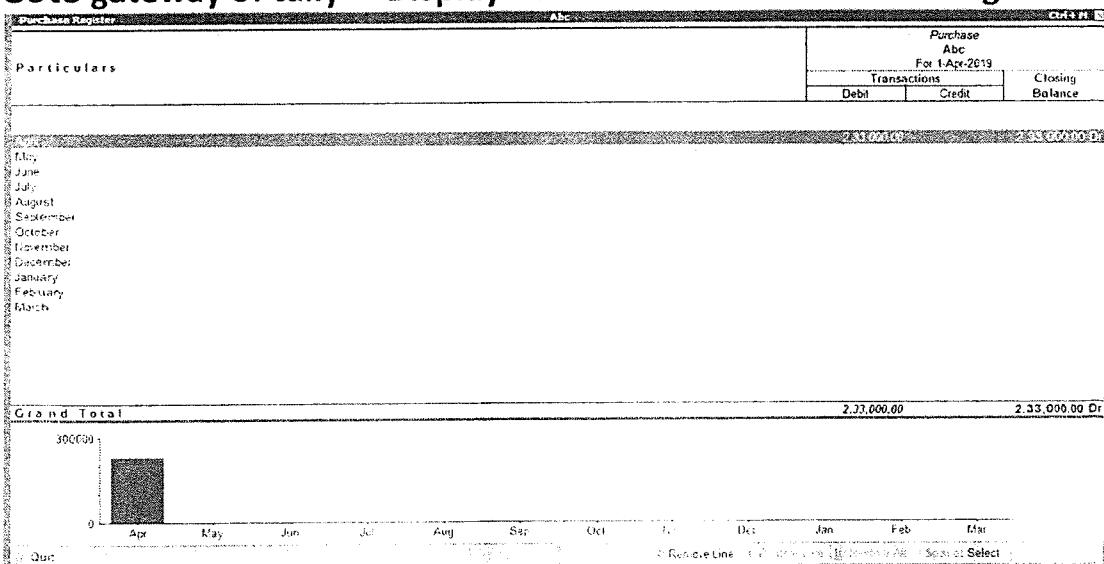
2. **sales register:-** All sales voucher entered in tally will form the part of sales register. Sales register will display the debit and credit transactions with closing balance for each month.

Goto gateway of tally>> Display>>Account book>> sales register



3. Purchase register:- All Purchase voucher entered in tally will from the part of Purchase register. Purchase register will display the debit and credit transactions with closing balance for each month.

Goto gateway of tally>> Display>>Account book>> Purchase register



4.journal register:- All journal voucher entered in tally will from the part of journal register. journal register will display the debit and credit transactions with closing balance for each month.

Goto gateway of tally>> Display>>Account book>> journal register

Journal Report		ABC Company	
		Journal ABC Company 1-Apr-2008 to 31-Mar-2009 Transactions Fiscal Vouchers (Cancelled)	
Particulars			
May		0	
June		6	
July		1	
August		0	
September		0	
October		0	
November		0	
December		0	
January		0	
February		0	
March		0	
Grand Total			

5.Trial balance:-A trial balance the various debit and credit balance of the diggerent accounts are taken in a statement,trial balance is statement containing the various ledger balance on a particular date.

Goto gateway of tally>> Display>> Trail balance

Trial Balance		ABC	Closing
Particulars		For 1-Apr-2019	Bal
		Closing Balance	
		Debit	Credit
Current Liabilities	0.00	3,60,000.00	
Current Assets	2,500.00	2,08,000.00	
4,07,500.00			
Sales Accounts		1,37,500.00	
Purchase Accounts	2,25,000.00		
Direct Expenses	1,200.00		
Indirect Income		6,000.00	
Indirect Expenses	5,000.00		
Grand Total		6,51,500.00	6,51,500.00
Q: Out			
		R: Remove Line	S: Select

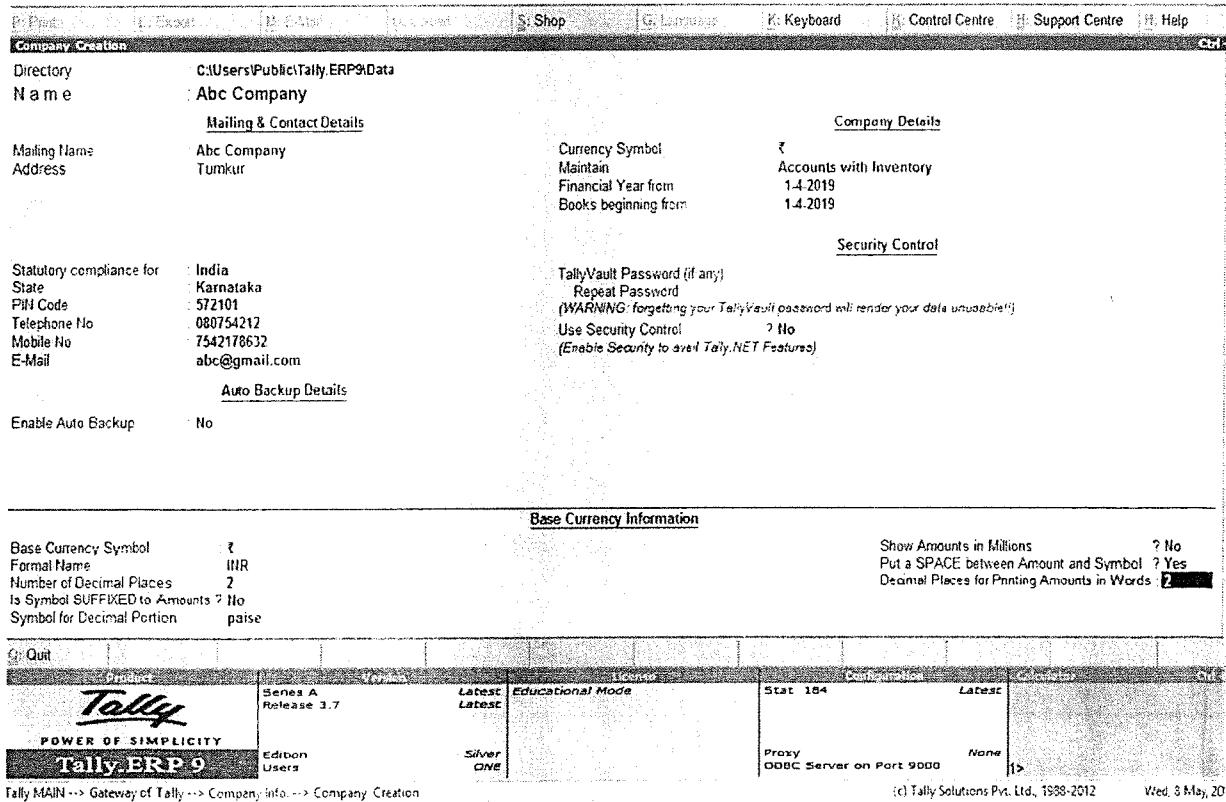
34.Create ledger accounts and make the voucher entry for the following transactions:

(a) Sagar started “ABC company” by bringing capital Rs.3,00,000 cash.

(b) He deposited Rs. 1,00,000 cash at ICICI Bank.

(c) He paid electricity bill for Rs. 1,200 by cash.

Create a company as "ABC company" in Tally



(a) Sagar started "ABC company" by bringing capital Rs.3,00,000 cash.

Step 1: Gateway of Tally>>account info>>single ledger>>create

Sagar under capital A/c

Ledger Creation		Abc Company		Total Op. Bal.
Name (alias)	Sagar			
Under	Capital Account	Mailing Details		
Inventory values are affected	? No	Name Address	Sagar	
		State PIN Code	Not Applicable	
		Tax Information		
		PAN / IT No.		
		Set/Alter VAT Details	? No	
Accept ?				
Yes or No				
Opening Balance (on 1-Apr-2019) :				

Step 2: Gateway of tally>>Accounting vouchers>>select RECEIPT(F6) voucher

P: File	S: Edit	B: Exit	G: Utilities	S: Shop	G: Languages	K: Keyboard	C: Control Centre	Support Centre	H: Help
Accounting Voucher Creation									
Receipt No 1									
1-Apr-2019 Monday									
Account : Cash Cur Bal 3,00,000.00 Dr									
Particulars									
Amount									
Sagar	3,00,000.00								
Cur Bal 3,00,000.00 Cr									
Narration									
3,00,000.00									
<input type="button" value="Q: Quit"/> <input type="button" value="A: Accept"/> <input type="button" value="D: Undo"/> <input type="button" value="X: Cancel"/>									

(b) He deposited Rs. 1,00,000 cash at ICICI Bank.

Step 1: Gateway of Tally>>account info>>single ledger>>create

ICICI bank under Bank A/C

File Edit View Insert Tools Database Reports Help Keyboard Control Centre Support Centre Help

Banker Creation

Name [Placeholder]	ICICI Bank	Total Op. Bal.	
Under	Bank Accounts (Current Assets)	Branch Details	
Effective Date for Reconciliation	2 Apr 2018	Address	
Settler Cheque Books	2 No	State	Karnataka
Settler Banking Configuration	2 No	PIN Code	572101
		A/c No.	12345678
		Branch Name	Tumkur
		BSR Code	
		IFSC Code	ICIC0123456
Opening Balance [on 1-Apr-2018]:			Accept ?
			Yes No

Q: Print E: Export H: E-Mail U: Upload S: Stop G: Language K: Keyboard C: Control Centre S: Support Centre Help

1-Apr-2018 Sunday

Step 2: Gateway of tally>>Accounting vouchers>>select **CONTRA(F4)** voucher

P: Print E: Export H: E-Mail U: Upload S: Stop G: Language K: Keyboard C: Control Centre S: Support Centre Help

Accounting Voucher Creation

Contra No. 1 1-Apr-2018 Sunday

Account : ICICI BANK	Cur Bal: 1,00,000.00 Dr	Amount:
Particulars		1,00,000.00
Cash	Cur Bal: 2,00,000.00 Dr	
Accept		Accept ?
		Yes No

Q: Print E: Export H: E-Mail U: Upload S: Stop G: Language K: Keyboard C: Control Centre S: Support Centre Help

(c). He paid electricity bill for Rs.1200 by cash.

Step 1:Gateway of Tally>>account info>>single ledger>>create

Electricity Bill under Indirect Expenses

File Print E: Export E-Mail Upload S: Shop G: Languages Keyboard Control Centre Support Centre Help

Name : Electricity Bill
(9/98)

Total Op. Bal.		
Under	Indirect Expenses	Mailing Details
Inventory values are affected	? No	Name Address State PIN Code
		PAN / IT No
		Sales Tax No CST No
Tax Information		
<input type="checkbox"/> Accept ? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Opening Balance (on 1-Apr-2018) :		

Q: Quit A: Accept D: Delete F: Find C: Copy X: Cut P: Paste S: Sort L: Filter

Step 2: Gateway of tally>>Accounting vouchers>>select PAYMENT(F5) voucher

File Print E: Export E-Mail Upload S: Shop G: Languages Keyboard Control Centre Support Centre Help

Accounting Voucher Creation Date : 1-Apr-2018 Sunday

Payment No. 1

Account : Cash Cur Bal: 1,98,800.00 Dr	Amount
Particulars	
Electricity Bill Cur Bal: 1,200.00 Dr	1,200.00
Narration	
<input type="checkbox"/> Accept <input type="checkbox"/> Yes <input type="checkbox"/> No	

Q: Quit A: Accept D: Delete F: Find C: Copy X: Cut P: Paste S: Sort L: Filter

