TEXTBOOK SELF-EXAMINATION QUESTIONS SOLVED

I. Choose the correct answer.

1. Accounting report prepared according to the requirements of the user is
   (*a*) Routine accounting report   (*b*) Special purpose report
   (*c*) Trial balance   (*d*) Balance sheet

Ans. (*b*) **Special purpose report**

2. Function key F11 is used for
   (*a*) Company Features   (*b*) Accounting vouchers
   (*c*) Company Configuration   (*d*) None of these

Ans. (*a*) **Company Features**

3. Which submenu displays groups, ledgers and voucher types in Tally?
   (*a*) Inventory vouchers   (*b*) Accounting vouchers
   (*c*) Company Info   (*d*) Account Info

Ans. (*d*) **Account Info**

4. What are the predefined Ledger(s) in Tally?
   (i) Cash   (ii) Profit and Loss A/c   (iii) Capital A/c
   (*a*) Only (i)   (*b*) Only (ii)   (*c*) Both (i) and (ii)   (*d*) Both (ii) and (iii)

Ans. (*c*) **Both (i) and (ii)**

5. Contra voucher is used for
   (*a*) Master entry   (*b*) Withdrawal of cash from bank for office use
   (*c*) Reports   (*d*) Credit purchase of assets

Ans. (*b*) **Withdrawal of cash from bank for office use**

6. Which is not the default group in Tally?
   (*a*) Suspense account   (*b*) Outstanding expense   (*c*) Sales account   (*d*) Investments

Ans. (*b*) **Outstanding expense**

7. Salary account comes under which of the following head?
   (*a*) Direct Incomes   (*b*) Direct Expenses   (*c*) Indirect Incomes   (*d*) Indirect Expenses

Ans. (*d*) **Indirect Expenses**

8. ₹ 25,000 withdrawn from bank for office use. In which voucher type, this transaction will be recorded
   (*a*) Contra Voucher   (*b*) Receipt Voucher   (*c*) Payment Voucher   (*d*) Sales Voucher

Ans. (*a*) **Contra Voucher**

9. In which voucher type credit purchase of furniture is recorded in Tally
   (*a*) Receipt voucher   (*b*) Journal voucher   (*c*) Purchase voucher   (*d*) Payment voucher

Ans. (*b*) **Journal voucher**

10. Which of the following options is used to view Trial Balance from Gateway of Tally?
    (*a*) Gateway of Tally -> Reports -> Trial Balance
    (*b*) Gateway of Tally -> Trial Balance

(c) Gateway of Tally -> Reports -> Display -> Trial Balance

(d) None of these

Ans. (c) **Gateway of Tally -> Reports -> Display -> Trial Balance**

II. Very Short Answer Questions:

1. What is automated accounting system?

Ans. Automated accounting is an approach to maintain up-to-date accounting records with the aid of accounting software.

2. What are accounting reports?

Ans. Accounting report is a compilation of accounting information that are derived from the accounting records of a business concern. Accounting reports may be classified as routine reports and special purpose reports.

3. State any five accounting reports.

Ans. 1. Day books/Journal   2. Ledger   3. Trial Balance   4. Income statement
5. Balance sheet

4. What is Accounting Information system (AIS)?

Ans. Accounting Information (AIS) system is one of the system in MIS. It collects financial data (AIS) processes them and provides information to the various users.

5. What is a group in Tally. ERP9?

Ans. Group is a collection of ledgers of the same nature. There are predefined groups of accounts which are widely used in accounts of many organisation. Groups are categorised as primary groups and sub-groups.

III. Short Answer Questions:

1. Write a brief note on accounting vouchers?

Ans. Following are some of the major accounting vouchers in an organisation:

(i) Receipt Voucher

(ii) Payment Voucher

(iii) Contra Voucher

(iv) Purchase Voucher

(v) Sales Voucher

(vi) Journal Voucher

2. What are the pre-defined ledgers available in Tally.ERP9?

Ans. Tally has two pre-defined ledgers, cash and profit and loss A/c. The user has to create various other ledgers based on their requirements. Predefined group/ledger cannot be deleted.

3. Mention the commonly used voucher types in Tally.ERP9?

Ans. Voucher is a document which contains details of transaction. Transactions are to be recorded through voucher entries. Tally has a set of predefined vouchers such as purchase, sales, payment, receipt and contra. To view the list of voucher type

Gateway of Tally > Masters > Accounts Info > Voucher Types > Display

As per the requirement of users, additional voucher type can be created.

4. Explain how to view profit and loss statement in Tally.ERP9?

Ans. To view profit and loss account in Tally ERP9.

F10: A/c Reports > Profit and Loss A/c > Alt F1 (detailed)

or

Gateway of Tally > Reports > Profit and Loss A/c > Alt F1 (detailed)

5. Explain any five applications of computerised accounting system (CAS).

Ans. The applications of CAS are as follows

(i) Maintaining accounting records

(ii) Inventory management

(iii) Pay-roll preparation

(iv) Report generation

(v) Data Import/Export

(vi) Taxation

IV Exercises

1. Record the following transactions in Tally.

(a) Devi commenced a business with a capital of ₹ 4,00,000

(b) An account was opened with Indian Bank and deposited ₹ 60,000

(c) Purchased furniture by paying cash ₹ 15,000

(d) Goods purchased on credit from Sumathy for ₹ 50,000

(e) Cash sales made for ₹ 10,000

(f) Goods purchased from Raja for ₹ 5,000 and paid by cheque

(g) Goods sold to Arun on credit for ₹ 70,000

(h) Money withdrawn from bank for office use ₹ 25,000

(i) Part payment of ₹ 30,000 made to Sumathy by cheque

(j) Arun made part payment of ₹ 10,000 by cash

(k) Salaries paid to staff through ECS ₹ 36,000

(l) Carriage on purchases of ₹ 6,000 paid by cash

(m) Purchased computer from Muthu Ltd. on credit ₹ 44,000

Analysis of Transactions, Passing Journal entries. Identification of Voucher type and group.

S. No.	Particulars		Debit ₹	Credit ₹	Voucher type	Group
a.	Cash Account A/c	Dr.	4,00,000		Receipt Voucher	Cash-in-Hand
	To Devi's Capital A/c			4,00,000		Capital Account
b.	Indian Bank A/c	Dr.	60,000		Contra Voucher	Bank Account
	To Cash A/c			60,000		Cash-in-Hand
c.	Furniture A/c	Dr.	15,000		Payment Voucher	Fixed Assets
	To Cash A/c			15,000		Cash-in-Hand
d.	Purchase A/c	Dr.	50,000		Purchase Voucher	Purchase A/c
	To Sumathy A/c			50,000		Sundry Creditors

e.	Cash A/c	Dr.	10,000		Sales	Cash-in-Hand
	To Sales			10,000	Voucher	Sales Accounts
f.	Purchases A/c	Dr.	5,000		Purchase	Purchase Accounts
	To Bank A/c			5,000	Voucher	Cash-in-Hand
g.	Arun A/c	Dr.	70,000		Sales	Sundry Debtors
	To Sales A/c			70,000	Voucher	Sales Account
h.	Cash A/c	Dr.	25,000		Contra	Cash-in-Hand
	To Bank A/c			25,000	Voucher	Bank Account
i.	Sumathy A/c	Dr.	30,000		Payment	Sundry Creditors
	To Bank A/c			30,000	Voucher	Bank Account
j.	Salaries A/c	Dr.	36,000		Payment	Indirect Expenses
	To Bank A/c			36,000	Voucher	Bank Account
k.	Carriage A/c	Dr.	6,000		Payment	Direct Expenses
	To Cash A/c			6,000	Voucher	Cash-in-Hand
l.	Computer A/c	Dr.	44,000		Purchase	Fixed Assets
	To Muthu Ltd. A/c			44,000	Voucher	Sundry Creditors

1. Following Steps are to be followed to enter the transactions in Tally ERP9,

   1. To Create Company

   Company Info > Create Company

   Type the Name as Devi and keep all other fields as they are and choose. "Yes" to accept

   2. To maintain accounts only

   Gateway of Tally > F11 Accounting Features > General > Maintain Accounts only: Yes > Accept Yes

   3. To Create Ledger Accounts

   Gateway of Tally > Masters > Accounts Info > Ledgers > Single Ledger > Create

   (i) To Create Devi's Capital A/c

   Name: Devi's Capital A/c

   Under: Capital Account Accept: Yes

   (ii) To Create Indian Bank A/c

   Name: Indian Bank A/c   Under: Bank Accounts   Accept: Yes

   (iii) To Create Furniture A/c

   Name: Furniture A/c   Under: Fixed Assets Accept: Yes

   (iv) To Create Purchases A/c

   Name: Purchases A/c   Under: Purchase   Accept: Yes

   (v) To Create Sumathy A/c Name: Sumathy A/c Under: Sundry Creditors   Accept: Yes

   (vi) To Create Sales A/c   Name: Sales A/c   Under: Sales Account   Accept: Yes

   (vii) To Create Arun A/c

   Name: Arun A/c

   Under: Debtors A/c

   Accept: Yes

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(viii) To Create Salaries A/c
  Name: Salaries A/c
  Under: Indirect Expenses
  Accept: Yes
(ix) To Create Carriage A/c
  Name: Carriage A/c
  Under: Direct Expenses
  Accept: Yes
(x) To Create Computer A/c
  Name: Computer A/c
  Under: Assets A/c
  Accept: Yes
(xi) To Create Muthu Ltd A/c
  Name: Muthu Ltd A/c
  Under: Sundry Creditors
  Accept: Yes

4. To enter transactions through vouchers

Gateway of Tally > Transaction > Accounting vouchers

(i) Devi commenced a business with a capital of Rs.4,00,000
  F6: Receipt Voucher Accounts: Cash
  Particulars: Devi's Capital A/c (Choose from List of Ledger Accounts)
  Enter the Amount of Capital of Rs. 4,00,000
  Narration: Capital introduced. Accept: Yes

(ii) An Account was opened with Indian Bank and deposited Rs. 60,000
  F4: Contra Voucher Accounts: Indian Bank
  Particulars: Cash Amount: Rs. 30,000
  Narration: Opened Bank Account in Indian Bank Accept: Yes

(iii) Purchased furniture by paying cash Rs. 15,000
  F5: Payment Voucher Account: Cash
  Particulars: Furniture A/c Amount: Rs. 15,000
  Narration: Furniture bought by cash Accept: Yes

(iv) Goods purchased on credit from Sumathy for Rs. 50,000
  F9: Purchase Voucher Party' A/c, Name: Sumathy A/c
  Particulars: Purchase A/c Amount: Rs. 50,000
  Narration: Goods purchased on credit from Sumathy Accept: Yes

(v) Cash Sales made for Rs. 10,000
  F8: Sales Voucher Account: Cash
  Particulars: Sales A/c Amount: Rs. 10,000
  Narration: Cash Sales made Accept: Yes

(vi) Goods purchased from Raja Rs. 5,000 and paid by Cheque
  F9: Purchase Voucher Account: Bank
  Particulars: Purchase A/c Amount: Rs. 5,000
  Narration: (Bank) Purchase by cheque

(vii) Goods sold to Arun on credit for Rs. 70,000
  F8: Sales Voucher Party A/c Name: Arun A/c
  Amount: Rs. 70,000
  Narration: Goods sold on credit to Arun Accept: Yes

(viii) Money withdrawn from bank for office use Rs. 25,000
  F4: Contra Voucher Account: Cash
  Particulars: Indian Bank Amount: Rs. 25,000
  Narration: Cash withdrawn from bank Accept: Yes

(ix) Part Payment of Rs. 30,000 to Sumathy by Cheque
  F5: Payment Voucher Account: Indian Bank
  Particulars: Sumathy A/c Amount: Rs. 30,000
  Narration: Payment made to Sumathy by Cheque Accept: Yes

(x) Salaries paid to staff through ECS Rs. 36,000
  F5: Payment Voucher Account: Indian Bank
  Particulars: Salaries A/c Amount: Rs. 36,000
  Narration: Salaries paid through ECS Accept: Yes

(xi) Carriage of Rs. 6,000 paid by cash
  F5: Payment Voucher Account: Cash
  Particulars: Carriage A/c Amount: Rs. 6,000
  Narration: Carriage paid by Cash Accept: Yes

(xii) Purchase computer from Muthu Ltd. on credit Rs. 44,000
  F7: Journal Voucher Particulars: Computer
  Amount Rs. 44,000 To Muthu Ltd Amount: Rs. 44,000
  Narration: Computer bought on credit from Muthu Ltd. Accept: Yes

5. To view reports

(i) To view Trial Balance
  Gateway of Tally > Reports > Display > Trial Balance > Alt F1 (detailed)

(ii) To view Profit and Loss Account
  F10: A/c Reports > Profit and Loss A/c > Alt F1 (detailed) (or)
  Gateway of Tally > Reports > Profit and Loss A/c Alt F1 (detailed)

(iii) To view Balance Sheet
  F10: A/c Reports > Balance Sheet > Alt F1 (detailed) (or)
  Gateway of Tally > Reports > Balance Sheet > Alt F1 (detailed)

(iv) To view Ratio Analysis
  F10: A/c Reports > Ratio Analysis (or)
  Gateway of Tally > Reports > Ratio Analysis

(v) To view Day Book

F10: A/c Reports > Day Book> Alt F1 (detailed) (or)

Gateway of Tally > Reports > Display > Day Book > Alt F1 (detailed)

2. The following balance sheet has been prepared from the books of Pearl on 1-4-2018.

Liabilities	₹	Assets	₹
Capital	1,60,000	Buildings	40,000
Sundry creditors		Furniture	20,000
Maya A/c	20,000	Stock	10,000
		Sundry debtors	
		Peter	20,000
		Cash in hand	30,000
		Cash at bank	60,000
	1,80,000		1,80,000

During the year the following transactions took place:

(a) Wages paid by cash ₹ 4,000

(b) Salaries paid by cheque ₹ 10,000

(c) Cash purchases made for ₹ 4,000

(d) Good purchased on credit from Yazhini ₹ 30,000

(e) Goods sold on credit to Jothi ₹ 40,000

(f) Payment made to Yazhini through NEFT ₹ 6,000

(g) Cash received from Peter ₹ 10,000

(h) Cash sales made for ₹ 4,000

(i) Depreciate buildings at 20%

(j) Closing stock on 31.03.2019 ₹ 9,000

You are required to prepare trading and profit and loss account for the year ended 31-03-2019 and a balance sheet as on that date using Tally.

1. To Create Company

Company Info > Create Company

Type the Name as Pearl and keep all other fields as they are and choose. "Yes" to accept

2. To maintain accounts only

Gateway of Tally F11 Accounting Features > General > Maintain Accounts only: Yes > Accept: Yes

3. To Create Ledger Accounts with Opening Balances

Gateway of Tally > Masters > Accounts Info > Ledgers > Single Ledger > Create

Creation of	Name	Under	Opening balance	Accept
Pearl's Capital	Pearl's Capital	Capital Account	1,60,000	Yes
Maya A/c Sundry Creditors	Maya A/c	Sundry Creditors	20,000	Yes
Buildings A/c	Buildings A/c	Fixed Assets	40,000	Yes
Furniture A/c	Furniture A/c	Fixed Assets	20,000	Yes
Opening stock	Opening stock	Stock-in-Hand	10,000	Yes
Peter A/c (Sundry Debtors)	Peter A/c	Sundry Debtors A/c	20,000	Yes
Cash in hand	Cash	Cash-in-Hand	30,000	Yes
Cash at bank	Bank	Bank Accounts	60,000	Yes

Note: Cash account need not be created as it is a default ledger. Only the opening balance has to be recorded by altering the cash account.

To record the opening balances of cash

Gateway of Tally > Masters > Accounts Info > Ledger > Single Ledger > Alter

After creating the Ledgers and recording the opening balances of ledger accounts the balance sheet of Pearl is shown as in the following figure.

3. To Create Ledger Accounts for Transactions

Creation of	Name	Under	Accept
Wages A/c	Wages A/c	Direct Expenses	Yes
Salaries A/c	Salaries A/c	Indirect Expenses	Yes
Purchases A/c	Purchases A/c	Purchase Accounts	Yes
Yazhini A/c	Yazhini A/c	Sundry Creditors A/c	Yes
Sales A/c	Sales A/c	Sales Account A/c	Yes
Peter A/c	Peter A/c	Sundry Debtors A/c	Yes
Depreciation A/c	Depreciation A/c	Indirect Expenses	Yes

4. To enter transaction through vouchers

Gateway of Tally > Transactions > Accounting Vouchers

Example: Wages of Rs. 4,000 paid by cash

    F5: Payment Voucher

    Account: Cash

    Particulars: Wages A/c

    Amount: Rs. 4,000

    Narration: Wages paid by Cash

    Accept: Yes

In the similar way, recorded the other transactions. Use payment voucher for salaries paid and payments to yazhini.

Use purchase voucher for credit sales to Jothi and Cash sales.

Use Receipt voucher for cash received from Peter.

Use Journal voucher for depreciation.

5. To record closing stock:

Since maintain accounts only is set to 'Yes' and integrate accounts and inventory is set to 'No' under accounting features. Stock has to be recorded manually. Hence the closing stock has to be recorded by altering the stock account and while entering the date of closing stock, the date of opening stock has to be entered. The following procedure is to be followed:
Gateway of Tally > Masters > Accounts Info > Ledger > Single Ledger > Alter > Stock > Closing Balance > Date (Opening date) > Amount > Accept: Yes

6. To view reports

(i) To view Profit and Loss Account

F10 A/c Reports > Profit and Loss A/c > Alt F1 (detailed)

(or) Gateway of Tally > Reports > Profit and Loss A/c > Alt F1 (detailed)

(ii) To view Balance Sheet

F10 A/c Reports > Balance Sheet > Alt F1 (detailed) (or)

Gateway of Tally > Reports > Balance Sheet > Alt F1 (detailed).

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