



ISDM (INDEPENDENT SKILL DEVELOPMENT MISSION)

SESSION 1: INTRODUCTION TO TALLY PRIME

1. OVERVIEW OF ACCOUNTING & ERP

WHAT IS ACCOUNTING?

Accounting is the process of recording, summarizing, analyzing, and reporting financial transactions. It helps businesses track their income, expenses, assets, and liabilities to make informed financial decisions.

Importance of Accounting in Business

- Helps in financial management
- Aids in decision-making and planning
- Ensures legal compliance (taxation, audits, etc.)
- Maintains accurate financial records
- Supports business growth and investor confidence

What is ERP (Enterprise Resource Planning)?

ERP is a software solution that integrates various business functions like accounting, inventory management, payroll, sales, and taxation into a single system. It helps streamline processes and improve efficiency.

Role of Tally Prime as an ERP Software

Tally Prime is an advanced ERP and accounting software widely used by businesses for:

- Managing financial transactions
- Inventory and payroll management
- Taxation and GST compliance
- Bank reconciliation
- Generating financial reports

2. FEATURES AND BENEFITS OF TALLY PRIME

Key Features of Tally Prime

1. **User-Friendly Interface** – Simple and easy-to-use interface for both beginners and professionals.
2. **Multi-Ledger Accounting** – Enables efficient ledger management for businesses.
3. **Inventory Management** – Helps track stock levels, stock movement, and valuation.
4. **GST and Tax Compliance** – Supports automated GST calculations and returns filing.
5. **Payroll Management** – Maintains employee records and salary processing.
6. **Banking Features** – Supports bank reconciliation, payments, and deposits.
7. **Data Security & Backup** – Ensures data protection with backup and restore features.

8. **Multi-User and Multi-Location Support** – Works across different branches and locations.

Benefits of Tally Prime

- **Saves Time:** Automates accounting processes, reducing manual work.
- **Increases Accuracy:** Eliminates errors in financial calculations.
- **Ensures Compliance:** Keeps businesses updated with taxation laws.
- **Improves Decision Making:** Generates financial reports for better analysis.
- **Customizable:** Adapts to different business needs.

3. INSTALLATION AND SETUP OF TALLY PRIME

System Requirements

Before installing Tally Prime, ensure your system meets the following requirements:

- **Operating System:** Windows 7 or higher (64-bit recommended)
- **Processor:** 1.8 GHz or higher
- **RAM:** Minimum 2 GB (4 GB recommended)
- **Disk Space:** At least 512 MB free space
- **Internet:** Required for updates and licensing

Steps to Install Tally Prime

1. Download Tally Prime:

- Visit the official Tally website (www.tallysolutions.com)
- Download the latest version of Tally Prime

2. Run the Installer:

- Open the downloaded file and follow the on-screen instructions.
- Click **Install Now** or customize installation settings if needed.

3. Activate Tally Prime:

- After installation, open Tally Prime.
- Enter your **Tally Serial Number** and **Activation Key**.
- Choose between **Single-User** or **Multi-User License**.

4. Configure Initial Settings:

- Set up company details (Company Name, Address, Financial Year, etc.)
- Configure taxation settings (GST, TDS, etc.)

4. NAVIGATING THE TALLY PRIME INTERFACE

Understanding the Tally Prime Interface

When you open Tally Prime, you will see the following components:

1. Gateway of Tally:

- The home screen of Tally, displaying menu options and shortcuts.
- Provides access to Company Features, Reports, and Masters.

2. Top Menu Bar:

- Contains options like **Company, Masters, Transactions, Reports, Utilities, and Help.**

3. Company Information Section:

- Displays the currently selected company name and financial year.

4. Navigation Panel:

- Shortcut keys and quick access buttons for different functions.

5. Reports & Dashboard:

- Provides access to financial statements and business insights.

Basic Shortcut Keys in Tally Prime

Function	Shortcut Key
Create a Company	Alt + F3
Open Company	F1
Create a Ledger	Alt + C
View Reports	Alt + R
Open Gateway of Tally	Ctrl + G

Quit Tally	Alt + F4
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CONCLUSION

In this session, we have covered:

- The basics of Accounting and ERP
- Key features and benefits of Tally Prime
- Steps to install and set up Tally Prime
- How to navigate the Tally Prime interface

This foundational knowledge will help you move forward with practical applications in upcoming sessions. **In the next session, we will explore Basic Accounting Principles and Ledger Management in Tally Prime.**

INTRODUCTION TO TALLY PRIME

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5. BASIC ACCOUNTING PRINCIPLES

Types of Accounts

1. **Personal Accounts:** Related to individuals, firms, and companies. (e.g., Customer Account, Supplier Account)
2. **Real Accounts:** Related to tangible or intangible assets. (e.g., Cash Account, Machinery Account)
3. **Nominal Accounts:** Related to expenses, losses, incomes, and gains. (e.g., Rent, Interest, Salary Account)

Golden Rules of Accounting

1. **Personal Account:** Debit the receiver, Credit the giver.
2. **Real Account:** Debit what comes in, Credit what goes out.
3. **Nominal Account:** Debit all expenses & losses, Credit all incomes & gains.

Accounting Terms & Concepts

- **Assets:** Resources owned by a business.
- **Liabilities:** Obligations or debts of a business.
- **Revenue:** Income earned by the business.
- **Expenses:** Costs incurred in generating revenue.
- **Capital:** Owner's investment in the business.
- **Profit & Loss:** The net result of revenues and expenses.

DOUBLE ENTRY SYSTEM

- Every transaction affects two accounts (debit and credit).
- Ensures accuracy and balance in accounting records.
- Example: If cash is received from a customer, Cash Account is debited, and Customer Account is credited.

CONCLUSION

In this session, we have covered:

- The basics of Accounting and ERP
- Key features and benefits of Tally Prime
- Steps to install and set up Tally Prime
- How to navigate the Tally Prime interface
- Basic accounting principles and concepts

This foundational knowledge will help you move forward with practical applications in upcoming sessions. **In the next session, we will explore Ledger Management in Tally Prime.**

CREATING AND MANAGING A COMPANY IN TALLY PRIME

Tally Prime is one of the most widely used accounting software for businesses. It allows users to manage financial transactions, generate reports, and maintain company records efficiently. This module focuses on **creating and managing a company in Tally Prime**, including **company creation, altering & deleting a company, and configuring company features**.

1. COMPANY CREATION IN TALLY PRIME

Steps to Create a Company in Tally Prime

To start using Tally Prime, the first step is to **create a company**. Follow these steps:

Step 1: Open Tally Prime

1. Open **Tally Prime** on your computer.
2. On the **Gateway of Tally**, select **Create Company**.

Step 2: Enter Company Details

A new company creation form will appear. Fill in the details:

Field	Description
Company Name	Enter the name of the business.
Primary Mailing Details	Enter company address, country, state, and PIN code.

Financial Year Begins From	Set the start date of the financial year (e.g., 1st April 2024).
Books Beginning From	Usually the same as the financial year, unless starting mid-year.
Base Currency Symbol	Default is ₹ (Indian Rupee), change if required.
Maintain Accounts?	Select Yes to enable accounting features.
Enable GST?	Select Yes if the company is registered under GST.

Step 3: Save and Start Using the Company

- After entering all details, press **Ctrl + A** to save the company.
- Tally Prime will now load the company, and you can start recording transactions.

2. ALTERING AND DELETING A COMPANY IN TALLY PRIME

Altering (Editing) a Company

If you need to **change company details**, follow these steps:

1. Open Tally Prime.
2. Select **Company** from the top menu.
3. Click on **Alter** or press **Alt + K → Alter**.
4. A list of companies will appear. Choose the company to edit.
5. Modify the required details (e.g., name, address, GST details).

-
6. Press **Ctrl + A** to save changes.

Deleting a Company

If you want to **delete a company**, follow these steps:

1. Open **Tally Prime** and go to the **Gateway of Tally**.
2. Select **Company > Alter**.
3. Choose the company you want to delete.
4. Press **Alt + D** to delete the company.
5. Confirm the deletion by pressing **Enter**.

⚠ Warning: Deleting a company permanently removes all data and cannot be undone.

3. COMPANY FEATURES AND CONFIGURATION IN TALLY PRIME

Tally Prime allows you to customize **company features** based on business requirements.

Accessing Company Features

1. Open Tally Prime.
2. Go to **Gateway of Tally > F11: Features**.
3. Select from the following categories:
 - **Accounting Features**
 - **Inventory Features**
 - **Statutory & Taxation Features**
 - **Other Features**

Key Company Features in Tally Prime

Feature	Purpose
Accounting Features (F11)	Enables or disables cost centers, multi-currency, bill-wise tracking, and budgets.
Inventory Features (F11)	Enables stock categories, units of measurement, and batch-wise tracking.
Statutory & Taxation (F11)	Activates GST, VAT, TDS, and TCS compliance.
Security & User Management	Creates user roles and assigns permissions.
Multi-Language Support	Allows working in multiple languages.

Example: Enabling GST in Tally Prime

1. Go to **Gateway of Tally > F11: Features > Statutory & Taxation.**
2. Enable **Goods & Services Tax (GST).**
3. Enter the GST registration number and applicable tax rates.
4. Save the settings by pressing **Ctrl + A.**

4. ASSIGNMENT: CREATING AND CONFIGURING A COMPANY IN TALLY PRIME

Task 1: Create a New Company

1. Open Tally Prime.
2. Create a new company with the following details:
 - o Name: **ABC Enterprises**
 - o Financial Year: **1st April 2024**
 - o Base Currency: **INR (₹)**
 - o Enable GST: **Yes**
 - o Save the company.

Task 2: Modify Company Details

1. Open **ABC Enterprises** in Tally Prime.
2. Edit the address and contact details.
3. Save the changes.

Task 3: Enable Features

1. Enable **Accounting Features** to track outstanding bills.
2. Enable **GST Features** with a 5% tax rate.
3. Save the configurations.

Task 4: Delete a Test Company

1. Create a **test company**.
2. Delete it using **Alt + D**.

 **Submit screenshots of each step as proof of completion.**

Conclusion

In this module, you learned: ✓ How to create a new company in Tally Prime.

- ✓ How to alter and delete a company.
- ✓ How to enable and configure company features.

🎯 **Next Module:** Recording accounting transactions in Tally Prime.



Happy Learning! 🎉

ISDMINDIA

LEDGER & GROUP MANAGEMENT IN TALLY PRIME

Managing ledgers and groups is an essential part of accounting in **Tally Prime**. Ledgers help record financial transactions, while groups help in organizing accounts systematically.

1. UNDERSTANDING LEDGERS & GROUPS IN TALLY PRIME

What is a Ledger?

A **ledger** is a record that stores financial transactions related to a specific account, such as a bank, customer, or expense.

What is a Group?

A **group** is a collection of similar accounts used to organize ledgers in Tally Prime. Every ledger in Tally must belong to a **group**.

Predefined Groups in Tally

Tally Prime provides **28 predefined groups**, including:

- **Capital Account** (Owner's Capital)
- **Current Liabilities** (Sundry Creditors, Duties & Taxes)
- **Current Assets** (Bank, Cash, Sundry Debtors)
- **Income & Expenses** (Sales, Purchases, Indirect Expenses, etc.)

2. CREATING, ALTERING, AND DELETING LEDGERS IN TALLY PRIME

Creating a New Ledger

To create a ledger, follow these steps:

1. Open **Tally Prime**.
2. Go to **Gateway of Tally > Masters > Create**.
3. Select **Ledger**.
4. Enter the following details:
 - o **Ledger Name**: Example – "ABC Traders"
 - o **Group**: Select the appropriate group (e.g., "Sundry Debtors").
 - o **Opening Balance** (if any).
5. Press **Ctrl + A** to save.

Example: Creating a Cash Ledger

Ledger Name: Cash

Under Group: Cash-in-Hand

Opening Balance: ₹10,000

Altering (Editing) a Ledger

To modify a ledger:

1. Open **Tally Prime**.
2. Go to **Gateway of Tally > Alter**.
3. Select **Ledger** and choose the ledger you want to edit.
4. Modify details like name, group, or opening balance.

-
5. Press **Ctrl + A** to save changes.
-

Deleting a Ledger

To delete a ledger:

1. Open **Tally Prime**.
2. Go to **Gateway of Tally > Alter > Ledger**.
3. Select the ledger you want to delete.
4. Press **Alt + D** to delete.
5. Confirm the deletion by pressing **Enter**.

⚠ Note: You cannot delete a ledger if it contains transactions. You must delete or transfer the transactions first.

3. GROUP CREATION & MODIFICATION IN TALLY PRIME

Creating a New Group

To create a custom group:

1. Open **Tally Prime**.
2. Go to **Gateway of Tally > Masters > Create**.
3. Select **Group**.
4. Enter the following details:
 - **Group Name:** Example – "Loan Accounts"
 - **Under Group:** Select the parent group (e.g., "Liabilities").

-
5. Press **Ctrl + A** to save.
-

Altering a Group

To edit a group:

1. Open **Tally Prime**.
 2. Go to **Gateway of Tally > Alter**.
 3. Select **Group** and choose the group to modify.
 4. Edit the details.
 5. Press **Ctrl + A** to save changes.
-

4. LEDGER CONFIGURATION IN TALLY PRIME

Ledger configuration allows users to customize how ledgers are displayed and function.

Accessing Ledger Configuration

1. Open **Tally Prime**.
2. Go to **Gateway of Tally > F12: Configure > Accounting Configuration**.
3. You can enable or disable settings like:
 - o Maintain **Bill-wise Details** for Sundry Debtors and Creditors.
 - o Enable **Inventory Values** with Accounts.
 - o Set **Multi-Currency Transactions**.

5. ASSIGNMENT: LEDGER & GROUP MANAGEMENT IN TALLY PRIME

Task 1: Create the Following Ledgers

Ledger Name	Group	Opening Balance
Cash	Cash-in-Hand	₹15,000
HDFC Bank	Bank Accounts	₹50,000
ABC Traders	Sundry Debtors	₹5,000
Rent Expense	Indirect Expenses	₹0

Task 2: Modify a Ledger

1. Open **ABC Traders** ledger.
2. Change the **Opening Balance** to ₹10,000.
3. Save changes.

Task 3: Create a Custom Group

1. Create a new group called **Loan Accounts** under **Liabilities**.
2. Add a ledger **Bank Loan** under this group.

Task 4: Delete a Ledger

1. Create a test ledger.
2. Delete it using **Alt + D**.

 **Submit screenshots of your work as proof of completion.**

CONCLUSION

In this module, you have learned: ✓ How to create, modify, and delete ledgers.

- ✓ How to create and alter groups.
- ✓ How to configure ledgers for better financial management.

🎯 **Next Module:** Recording financial transactions in Tally Prime.



Happy Learning! 🎉

ISDMINDIA

VOUCHER ENTRY BASICS IN TALLY PRIME

Voucher entries are essential for recording **financial transactions** in **Tally Prime**. This module will help you understand the **types of vouchers** and how to enter transactions practically.

1. INTRODUCTION TO VOUCHERS IN TALLY PRIME

What is a Voucher?

A **voucher** in Tally Prime is a document used to record business transactions, such as payments, receipts, purchases, and sales.

Purpose of Vouchers

- ✓ To **record** business transactions systematically.
 - ✓ To **maintain** accurate financial statements.
 - ✓ To **track cash flow** and ledger balances.
-

2. TYPES OF VOUCHERS IN TALLY PRIME

Tally Prime has **different types of vouchers**, each serving a specific purpose.

Payment Voucher (F5)

- ✓ Used to record all **cash and bank payments**.
- ✓ Example: Paying rent, salaries, or supplier payments.

Example Entry:

- Paid ₹10,000 rent in cash.

Steps in Tally:

1. Gateway of Tally > Vouchers > F5: Payment

2. Select **Cash** as the account.
 3. Debit **Rent Expense – ₹10,000.**
 4. Enter narration and save.
-

❑ Receipt Voucher (F6)

- Used to record **income and receipts**.
- Example: Receiving ₹25,000 from a customer.

Steps in Tally:

1. Gateway of Tally > Vouchers > F6: Receipt
 2. Select **Cash or Bank** as the account.
 3. Credit **Sundry Debtor (Customer) – ₹25,000.**
 4. Enter narration and save.
-

❑ Journal Voucher (F7)

- Used for **non-cash transactions**, such as depreciation or adjustments.
- Example: Recording **depreciation of ₹5,000** on machinery.

Steps in Tally:

1. Gateway of Tally > Vouchers > F7: Journal
2. Debit **Depreciation Account – ₹5,000.**
3. Credit **Machinery Account – ₹5,000.**

-
4. Enter narration and save.
-

4 Purchase Voucher (F9)

- Used to record **business purchases** (inventory or services).
- Example: Buying office supplies worth ₹8,000.

Steps in Tally:

1. **Gateway of Tally > Vouchers > F9: Purchase**
 2. Select **Supplier's Ledger** under **Sundry Creditors**.
 3. Enter **Purchase Details – ₹8,000**.
 4. Enter narration and save.
-

5 Sales Voucher (F8)

- Used to record **sales transactions**.
- Example: Selling goods worth ₹20,000.

Steps in Tally:

1. **Gateway of Tally > Vouchers > F8: Sales**
 2. Select **Customer's Ledger** under **Sundry Debtors**.
 3. Enter **Sale Details – ₹20,000**.
 4. Enter narration and save.
-

3. Practical Voucher Entry in Tally Prime

Example Transactions & Voucher Entries

Transaction	Voucher Type	Debit Account	Credit Account	Amount
Paid ₹15,000 salary	Payment	Salary Expense	Cash	₹15,000
Received ₹30,000 from a customer	Receipt	Cash	Customer (Debtor)	₹30,000
Depreciation on furniture ₹3,000	Journal	Depreciation	Furniture	₹3,000
Bought office supplies worth ₹5,000	Purchase	Purchase Account	Supplier	₹5,000
Sold goods worth ₹25,000	Sales	Customer (Debtor)	Sales	₹25,000

4. ASSIGNMENT: CREATE A COMPANY AND ENTER 5 BASIC TRANSACTIONS

Task 1: Create a Company

1. Open Tally Prime and create a new company.
2. Name it **ABC Enterprises** and set the financial year.

Task 2: Enter 5 Transactions Using Different Vouchers

1. Record a Payment Voucher for ₹10,000 rent.
2. Enter a Receipt Voucher for ₹20,000 received from a debtor.

3. **Post a Journal Entry** for ₹2,000 depreciation on machinery.
 4. **Create a Purchase Voucher** for ₹7,500 office supplies.
 5. **Enter a Sales Voucher** for ₹30,000 worth of goods sold.
-  **Submit screenshots of your transactions in Tally Prime.**
-

CONCLUSION

In this module, you learned:  What vouchers are and their importance in Tally.

-  Different types of vouchers and how they are used.
-  Practical voucher entries for **payments, receipts, purchases, and sales.**

 **Next Module:** Advanced voucher entries and GST transactions in Tally Prime. 

Happy Learning! 

TALLY PRIME ASSIGNMENT

Here are **three practical assignments** to help you apply **Tally Prime concepts** effectively.

ASSIGNMENT 1: COMPANY CREATION & BASIC TRANSACTIONS

Objective:

- Create a company in **Tally Prime**
- Enter basic transactions using different vouchers

Tasks:

1. **Create a Company** named **XYZ Enterprises** with the following details:

- Financial Year: **1st April 2024**
- Base Currency: **INR (₹)**
- Enable GST: **Yes** (GST No.: 27ABCDE1234F1Z5)

2. **Create the following Ledgers:**

- **Bank Account** (Under Bank Accounts)
- **Rent Expense** (Under Indirect Expenses)
- **Sundry Debtors – ABC Traders** (Under Sundry Debtors)
- **Sundry Creditors – XYZ Suppliers** (Under Sundry Creditors)
- **Sales Account** (Under Sales)

3. **Record the following Transactions:**

Date	Transaction	Voucher Type	Amount
01-Apr-24	Paid ₹12,000 as office rent in cash	Payment	₹12,000
05-Apr-24	Received ₹25,000 from ABC Traders in bank	Receipt	₹25,000
10-Apr-24	Purchased goods worth ₹15,000 from XYZ Suppliers	Purchase	₹15,000
15-Apr-24	Sold goods worth ₹30,000 to ABC Traders	Sales	₹30,000
20-Apr-24	Recorded ₹2,000 depreciation on office equipment	Journal	₹2,000

Submission:

- Submit screenshots of **Company Creation, Ledger Entries, and Voucher Entries.**