Module 2: Ledger and Voucher Creation & Entries

◆ **PART A: LEDGERS IN TALLY**

💡 **What is a Ledger?**

A **ledger** is the primary accounting head used to record transactions. All financial activities in Tally are categorized under ledgers.

Every transaction you enter in Tally must be associated with at least **two ledgers** (as per the **double-entry system** of accounting).

🧩 **Types of Ledgers in Tally (Based on Grouping):**

Ledgers are categorized under **28 predefined groups**, out of which **15 are primary groups**.

Here are common types of ledgers and their groupings:

Ledger Name	Group	Purpose
Cash	Cash-in-Hand	Tracks physical cash
Bank A/c	Bank Accounts	Tracks bank transactions
Capital A/c	Capital Account	Owner's capital in the business
Drawings A/c	Capital Account	Withdrawals by the owner
Sales A/c	Sales Account	Records sales transactions
Purchase A/c	Purchase Account	Records purchases
Rent	Indirect Expenses	Office or facility rent
Commission Received	Indirect Incomes	Income from commissions
Salaries	Indirect Expenses	Employee salary payments
Outstanding Expenses	Current Liabilities	Expenses incurred but not yet paid
Prepaid Expenses	Current Assets	Expenses paid in advance

Ledger Name	Group	Purpose
Debtors	Sundry Debtors	People who owe you money
Creditors	Sundry Creditors	People you owe money
GST Payable	Duties & Taxes	Tax liabilities

✅ How to Create a Ledger in Tally

Path: Gateway of Tally → Accounts Info → Ledgers → Create

Steps:

1. Enter the name of the ledger (e.g., Electricity Expense)

2. Select the correct **Group** (e.g., Indirect Expenses)

3. Enter **Opening Balance** (if applicable)

4. Press **Ctrl + A** to save

◆ PART B: VOUCHERS IN TALLY

💡 What is a Voucher?

A **voucher** is a document used to record transactions. In Tally, each voucher type represents a specific kind of transaction.

Vouchers are the **backbone of transaction entry** in Tally — every purchase, sale, payment, or receipt goes through vouchers.

📋 Common Voucher Types and Their Shortcut Keys

Voucher Type	Function Key	Use Case
Contra	F4	Cash to bank, bank to cash, bank to bank
Payment	F5	Payments made (to vendors, bills, etc.)
Receipt	F6	Income received (from customers, etc.)

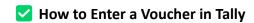| Voucher Type	Function Key	Use Case
Journal	F7	Adjustment entries (e.g., depreciation)
Sales	F8	Recording sales transactions
Purchase	F9	Recording purchases
Credit Note	Ctrl + F8	Return of sold goods
Debit Note	Ctrl + F9	Return of purchased goods
Reversing Journal	F10	Temporary entries for provisional view
Memo	Ctrl + F10	Non-accounting purposes (notes/memos)

✅ How to Enter a Voucher in Tally

Path: Gateway of Tally → Accounting Vouchers

Steps:

1. Select the appropriate voucher using its shortcut key (e.g., F5 for Payment)

2. Enter the **date** (Tally shows the current date by default)

3. Choose the **ledgers** to be debited and credited

4. Enter the **amount**, **narration**, and press **Ctrl + A** to save

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📌 Example Voucher Entry – Payment Voucher

Scenario: You paid Ksh 10,000 rent.

Particular	Details
Voucher Type	Payment (F5)
Debit Ledger	Rent
Credit Ledger	Cash
Amount	Ksh 10,000

Particular	Details
Narration	Being rent paid in cash

💬 **Pro Tips:**

- Always check the correct **date** when entering vouchers

- Confirm that each ledger is placed under the correct **Group**

- Use **narrations** to describe transactions for easy reference

- Use **F2** to change the date, and **Ctrl + A** to save quickly

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📑 **Summary**

- Ledgers record specific account balances

- Each ledger belongs to a specific **group** (predefined in Tally)

- Vouchers are used to **record transactions** using ledgers

- Use function keys (**F5–F9**) to select the correct voucher type

- Use **Journal Vouchers** for adjustments or non-cash entries