



KNR SOFTWARE SOLUTIONS

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TALLY PRIME WITH GST & TDS

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Introduction

Accounting software is a computer software that records and processes accounting transaction within functional modules such as accounts payable, accounts receivable, pay Rolland trail balance. It functions as an accounting and inventory information system.

In the world market, there are many numbers of accounting software's developed by various software companies. among them Tally ERP9 is the simple and powerful accounting software developed by tally solutions pvt.ltd.,Banglore.

The special feature of Tally ERP9 is that it has been created exclusively to face the demands and requirements of small, medium and large enterprises.it is completely integrated, affordable and highly reliable software.it is user-friendly to operate. Tally.ERP9 is constructed to automate and integrate all business activities such as purchases, sales, order processing, finance such as purchases, sales, order processing, finance, inventory, and manufacturing.

SAP is a market leader in providing **ERP** (Enterprise Resource and Planning) solutions and services. In this chapter, we will try to understand more on ERP and where it should be used. In addition, we will learn the implementation techniques of ERP along with the ERP packages available in the market.

What is ERP?

Enterprise Resource Planning (ERP) is a software that is built to organizations belonging to different industrial sectors, regardless of their size and strength.

The ERP package is designed to support and integrate almost every functional area of a business process such as procurement of goods and services, sale and distribution, finance, accountings, human resource, manufacturing, production planning, logistics & warehouse management.



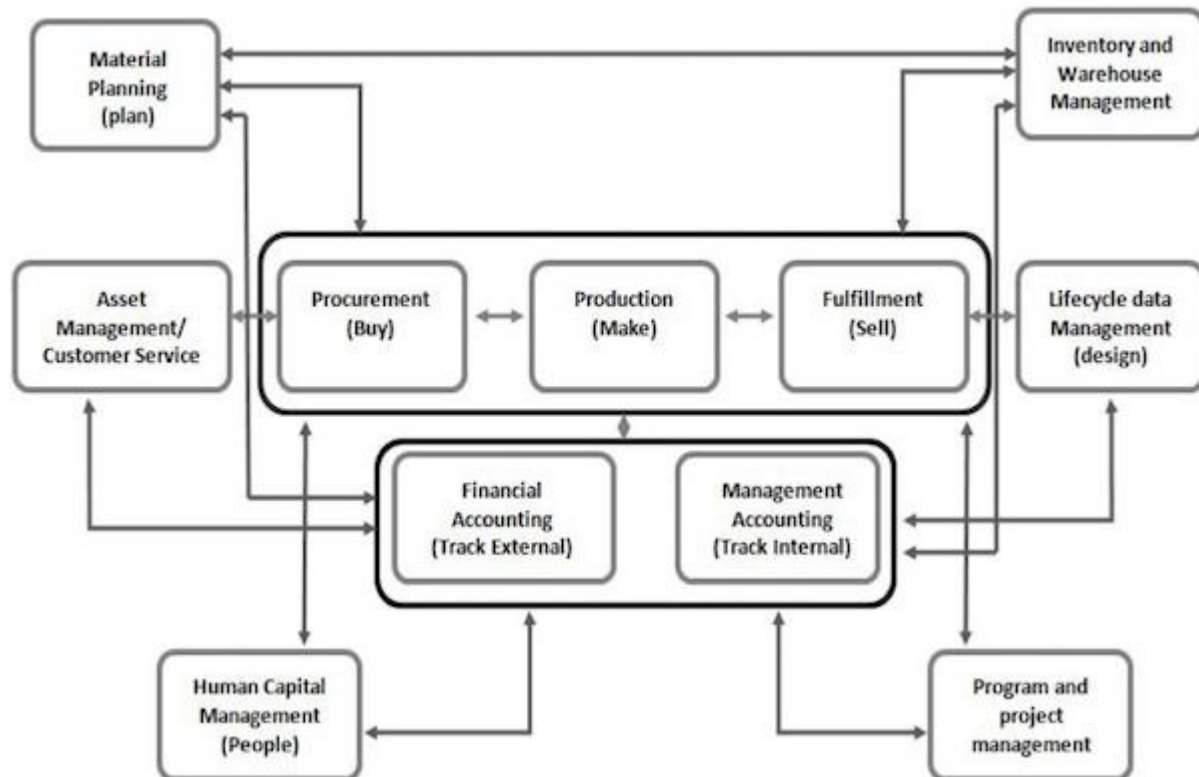
Business Process Integration

Every business, regardless of the industry they belong to, require connected systems with efficient information flow from one business process to another. Business Process Integration (BPI) plays an important role in overcoming integrating challenges that allows organizations to connect systems internally and externally.

Business Process Integration (BPI) allows –

- automation of business processes,
- integration of systems and services,
- secure sharing of data across numerous applications, and
- automation of management, operational, and supporting process.

The following illustration shows an overview of various business processes running in an enterprise and how they are integrated.



Evolution of ERP

During early phases of development, integrated solutions were designed for particular process areas such as –

- Material Management – the integrated system was known as Material Requirement Planning (MRP)
- Manufacturing – the integrated system was known as Manufacturing Resource Planning

However none of the integrated systems came with a complete solution for an organization covering major business process areas. In early 1990's, the Gartner Group first used the acronym **ERP**. By mid–1990's, ERP systems addressed all the core enterprise functions.

In the early stages, most of the ERP solutions were focused on automating *back office functions* that were not directly affecting customers or general public. Later, *front office functions* such as customer relationship management and e-business systems were integrated.

Functions of ERP

An ERP system typically performs the following functions –

- Supports the integrated business process inside the organization.
- Improves capital planning and helps in executing organizational plans and strategies.
- Helps speed up the decision-making process over the analysis of accurate data.
- Helps extend the business network to wider domains, expanding the products and services to reach more customers, suppliers, and partners.
- Identifies operational risks to improve governance.
- Provides protection against organizational data breaches and security threats to leakage of information.
- Makes the organization adaptable to the rapid changes in the business process according to the needs.
- Gives long-term profit by providing means to increase the customer base.

Functional Areas

ERP is a business management software is usually a suite of integrated applications that a company can use to collect, store, manage, and interpret data from many functional areas including –

- **Financial Accounting** – Deals with financial transactions and data.
- **Human Resource** – Deals with information related to employee of an organization.
- **Customer Relationship Management** – Deals with capturing and managing customer's relationship, facilitating the use of customer experience to evaluate the knowledge database.
- **Sales and Distribution** – Deals with order placement, delivery, shipment and invoicing.
- **Logistics and Warehouse Management** – Deals with storage of products and shipment.
- **Manufacturing and Material Management** – Deals with the production and production planning activities.
- **Supply Chain Management** – Deals with the movement of products, storing, managing, and controlling supplies.
- **Business Intelligence** – Analyzes data and converts the same to information.

Advantages of ERP

By integrating the business processes, the ERP offers the following advantages –

- Saves time and expenses.
- Allows faster decision-making by the management, utilizing the data and reporting tools designed in the systems.
- Single data source and sharing of data among all the units of an organization.
- Helps in tracking every transaction that takes place in an organization, from starting till end.
- Supplies real-time information whenever required.
- Provides synchronized information transfer in between different functional areas such as sales, marketing, finance, manufacturing, human resource, logistics, etc.

Disadvantages of ERP

It is not always easy to incorporate ERP in an organization. ERP suffers from the following drawbacks –

- Sometimes business processes critical to an organization are to be re-engineered to align them with an ERP solution.
- Cost of complex integration can be very high.
- Switching from one ERP solution to another increases the implementation cost even further.
- End-users are to be trained for their daily operations.
- Customization is not preferred.

What is Tally ?

Tally is an accounting software developed by Tally Solution Limited Company. Which is used to record and keep the financial transactions of a company, trust or financial transaction institution from computer. So that the financial status of the business will be known.

Full form of Tally –

- Total Accounting Leading List Year
- Transactions Allowed in a Linear Line Yard

What are the different versions of Tally?

Tally 3.0 (1990) – Tally 3.0 is the first version of Tally. Which has been used for basic accounting requirements of small businesses. However, external and special commands are required to run the software. And it only supports Microsoft DOS.

2. Tally 3.12 (1991)
3. Tally 4 (1992)
4. Tally 4.5 (1994)
5. Tally 5.4 (1996)
6. Tally 6.3 (2001)
7. Tally 7.2 (2005)
8. Tally 8.1 (2006)
9. Tally 9 (2006)

Tally ERP 9 (2009)

Tally ERP 9 is the latest version of Tally since 2009. It is being used by the trade organization. It has advanced features including GST computation, invoicing and payroll processing, remote access, multi-user login and transaction processes. Nowadays businessmen want a complete business solution software like Tally.

Tally Prime (2020)

This is the latest version of Tally in which advance has been made from tally erp 9. In which we have prepared QR Code, E-invoice, E-Way Bill, Multi Printing, Bank Cancellation update, Oman VAT, e-payment as well as user friendly interface.

Tally is an Accounting Package. Tally is used for operating the accounts with computer power only

Operating Accounts are Two types. They are

1. Manual Accounts
2. Computerized Accounts

1. MANUAL ACCOUNTS

Manual Accounts mean operating the accounts by manual. That means operating the accounts data by manual and generating the reports by manual only. In manual accounts you should follow the accounting life cycle. An accounting life cycle is a complete sequence. It is beginning with the recording of transaction and ending with preparation of final accounts.

Introduction to Accounting

Accounting is a systematic process of recording, classifying, summarizing, analyzing, and interpreting the financial transactions and communicating the results to the users thereof, the users of accounting information include owners, creditors, bank and financial institutions, employees, government etc.

Definition: According to American Institute of Certified Public Accountants "Accounting is 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".

Meaning of Book Keeping

Book keeping is a part of accounting being a process of recording financial transactions and events in the books of account, thus book keeping involves

- a) Identifying financial transactions and events
- b) Measuring them in terms of money
- c) Recording the identified financial transactions and events in the books of account, and
- d) Classifying recorded transactions and events i.e., posting them into ledger accounts.

Definition: According to R.N. Carter "Book keeping is the science and art of recording correctly in the books of account all those business transactions that result in transfer of money or money's worth.

Book Keeping	Accounting	Accountancy
1. It involves recording of financial transaction and events in a set of books as per accounting policies. It is application of accounting.	1. It is also application of accountancy. But after completion of book-keeping process.	1. It includes theories principles and system of accountancy i.e., why and how financial transaction and recorded in the books of account, preparation financial statements and their analysis.
2. It is primary stage of recording, classifying and summarising the transactions.	2. It is the secondary stage and starts where book keeping ends.	2. It is a complete process which includes bookkeeping as well as accounting.
3. It depends on correct recording of transaction and events.	3. It depends on book keeping.	3. It includes both accounting and book keeping.
4. It is a part of accounting because it involves recording of transaction and events, classified them and preparing financial statement, which is the basis of analysis, a function of accounting.	4. It analysis the financial statements made available by the process of book keeping.	4. It involves teaching methodology to record transaction and analysing the financial statement prepared by the process of book keeping.

Basic Accounting Terms – Terminology of tally

Business: –

The legal work done for the purpose of making profit is called business. Business is a broad term under which business, Production work, Sale or purchase of goods or services, Bank, Insurance, Transport companies come under it.

Types of Business

1. Manufacturing (production)

2. Trading (Sales)

3. Servicing (Service)

Trade (Business):-

The sale and purchase of goods done for the purpose of making a profit is called trade.

Profession (Profession or profession): –

Any work or means done to earn income which requires prior training, The profession is called – Doctor, teacher, Work of lawyer etc. comes under occupation.

Proprietor (Owner or Owner): –

The person starting the business, who arranges for the necessary capital and carries the risk of loss and loss of the officer to receive the profit., The owner of the business is called.

Capital (Capital)

Money to start a business by the owner of the business, It is imposed as cash or other property, it is called capital. In the business, the capital is employed for the purpose of profit, that part of the profit which is not removed from the business, Capital: – Assets – Responsibilities

Drawing (Withdrawal)–

Goods or cash which are taken out by the owner of the business for personal use of the business, This is called withdrawal or personal expenditure. Withdrawal reduces the amount of capital.

Transaction (Transaction or transaction):-

Double sided currency, Mutual exchange of goods or services; Mgbindhamdh is called a Saunde transaction. Purchase and sale of goods, Economic activities such as payment and payment etc. are called commercial transactions or transactions.

Types of Transaction

1. Cash Transaction (Cash transaction): A transaction in which there is an immediate payment or receipt of money is called cash transaction.

2. Credit Transaction (Credit or credit transaction): In a credit transaction there is no immediate payment or receipt of money. The payment or receipt is postponed to a future date.

3. Bill Transaction (Bill transaction)

Goods (Goods)

The goods are called that thing, Which is traded – traded or traded. Raw material obtained for the manufacture of goods under goods, Can be semi-finished material or finished goods

Purchase (Purchase)

When goods are purchased for sale by the merchant, It is called purchasing. It can be purchased in the form of raw material or finished goods. Purchase of properties, Purchase not included, Because they are not for resale.

Purchase Return (Purchase return)

Goods that are returned due to any of the purchased goods, Purchase return or outward return (to him)Return Outward) It is said.

Sales (Sales)

When the purchased goods are sold for the purpose of profit, it is called selling. Cash sale to sell cash goods (Cash Sales) And sale of credit to sell goods (Credit Sales) it is said.

Sales Return (Sales return)

Any goods sold are returned by the customer due to any reason, This is called sales return or internal return. In the lobby Sales return On entry, it is entered into a journal voucher or debit note.

Stock (Stock or stock)

After a certain period of time, It is called a stock, on the last day of a business year, which remains unsold, the last stock (Closing Stock) It is said. This stock at the beginning of the new business year, Initial stock (Opening Stock) It is called.

Assets (Assets):-

Assets or Properties are possessions, which belong to a trader. They help the trader in carrying on his business. E.g.: Plant and Machinery, Furniture, cash In hand, Stock, investments, goodwill, etc.

Types of Assets

Fixed Assets: These assets are acquired for long term use in the business. They are not meant for resale. E.g.: Land and Building, Plant and Machinery, Furniture, Vehicles etc.

(a).Tangible Assets: Such assets, which have physical existence, i.e. they can be seen. E.g.: Plant and machinery, furniture, land and building, etc.

(b).Intangible Assets: Those assets which have no physical existence, which cannot be seen and touched are termed as intangible assets. E.g.: Goodwill, Copy right, Patents, trade marks etc.

Current Assets: These are the assets which are intended to be sold or converted into cash on a later date or and which frequently undergo change. E.g. Cash in hand, cash at bank, Debtors, bills receivables, Stock etc.

Liabilities (Liability or Liabilities):-

The liability of the business is called liability. There are some essential states in the business., Those who have the obligation to repay the business like – Capital, Bill of credit, Creditor, Bank overdraft etc.

Revenue (Revenue): –

Revenue refers to the amount received regularly from the sale of goods or services. Business day-to-day activities like rent – rent, Interest, The commission, Discount, Dividends etc. are also called revenue.

Expenses (the expense):-

Goods in business, Costs incurred for producing or acquiring goods and services. The expenditure is called. Payments for receipt of goods and services are covered under expenditure. wage, The freight, Salary paid on delivery and sale of railway carriages and goods, The rent, advertisement, the expense, Insurance is also included in the expenditure. The cost of increasing the revenue in brief is called expenditure.

Types of Expenses

1. Direct Expenses –

Payment for receipt of goods and services – wages, The freight, Payment on delivery and sale of railway carriages and goods

2. Indirect Expenses –

increase revenue, the wages, The rent, advertisement, the expense, Insurance etc. Expenditure (Spend): – Spend is the amount paid to increase the profit-earning capacity of the business. Expenses that are paid for the acquisition or acquisition of assets in a business are called expenses.

Gain (Benefit):-

this Is a kind of monetary gain, Which results from business like if 1,00,000 Goods worth Rs. 1,50,000 If sold in rupees 50,000 Receipt of money will be called profit.

Cost (Cost):-

Raw materials used in business and its functions, Service and loan, The sum of all direct and indirect expenses to be produced or used to make it useful is called cost of goods. The item includes the raw material or assets.

Discount (Deduction, Discount or discount): ‘-

Concession granted to the concession given by the merchant to his customers, It is called discount or discount. It is also called a gift. There are two types of discount –

1. Merchant discount Trade Discount) : – The seller makes a discount (discounted) to his customers in the face value, ie the list price, while purchasing the goods., It is called a trade discount with the aim of increasing the sale of goods. It is not done in the accounting books

2. Cash discount Cash Discount): – Exemption provided for payment of cash or check value in a fixed or fixed period, It is called cash discount, it is used in books of accounts.

Debitor (Debtor or debtor): –

The person, Borrow goods or services from a firm or institution, It is called the debtor or debtor of the business. To debtors'sundry debtors';It is said that Nainkantal.

Creditor (Creditor or debtor): –

The person, Goods or services are borrowed from a firm or institution, it is called a creditor or a creditor. 'sundry creditors'(Sundry Creditors) It is said. Like – from Lakhan Shyam2 The printer 20000 Bought for Rs. Receivable (Receivable): Any amount related to business which is to be obtained is called receivable. The buyer is called a debtor when there is a credit sale of goods in the trade, Through which funds are to be obtained Basic Accounting Terms

Liabilities Payable) –

There are certain amounts in the business which the merchant has to repay in future.Payable) It is said. Those from whom credit is purchased by trade are creditors of the trade (Creditors) It is said.

Entry (Entry): –

Entering the transaction in the books of account is called Entry.

Whole sale (Turn Over) –

The sum of the cash and credit sales that occur in a certain sum is the total sales or Turn over It is said. Sales cash + sales credit Turn over

Insolvent / Bankrupt: –

A person who is unable to repay his loan is called bankrupt. The liability of such a person is more than the value of his property. In such a situation, he cannot repay his loan in full. He has to take refuge in the court to partially repay the debt. The court allows him to partially repay the debt by declaring him bankrupt, thereby freeing him from his debt.

Bad Debts / Debt: –

Unable to recover the amount due to the inability of the debtor or going bankrupt, For a creditor, it is called bad debt or unapproachable loan.

Debit and credit (Debit and Credit): –

Each account has two sides. The left side is called the debit compound or the deviation and the right side is called the deposit centroid or the integral. Accounting on the left side of an account is called a debit account, which is traditionally abbreviated Dr. It is thus written that accounting on the right side of the account is called deposit account, which is traditionally Cr. Let's write It is noteworthy that in Indian book keeping system, the debit side is on the right and the deposit is on the left.

Account: Account isa record of transactions under a particular head.it records not only the amount of transactions but also their effect and direction.

An account is divided into two parts, i.e., debit and credit, it is usally in a T form and the commonly used layout of an amount is as follows.

Date	Particulars	J.F	Amount	Date	Particulars	J.F	Amount

Classification of Accounts:

Accounts can be classified in two ways

- 1.Traditional classification
- 2.Modern Classification

1. Traditional Classification:

Under this classification, accounts are classified into two groups as shown below;

(a). Personal account: These are the accounts of individuals and firms.

Personal accounts can be classified into three categories:

(i). Natural Personal Accounts: These are the accounts of individuals

For examples, Ravi a/c, kiran a/c, Srihari a/c , Arun a/c, X a/c etc.

(ii) Artificial Personal Accounts: These accounts include accounts of corporate bodies or institutions which are recognized as persons in business dealings.

For examples, The account of a Limited company, Clubs, Institutions, Firms, Cooperative society etc.

(iii). Representative Personal Accounts: These are accounts which represent a certain person or a group of persons. These are the personal accounts without having the name of an individual or a firm.

For examples, Capital a/c , Drawing a/c , Outstanding expenses a/c, Prepaid expenses a/c .

(b). Real Accounts : These are the accounts of Assets/Properties of a business.

For example Plant and machinery a/c , Furniture a/c , Land and Building a/c, Investment a/c , Goodwill a/c, Patents a/c etc.

(c). Nominal Accounts: These are the accounts of expenses, losses, incomes and gains

For example Expenses and losses , Incomes and Gains

Rules of Debit and Credit Credit (Golden Rules)

Personal Account

Debit : The Receiver

Credit: The Giver

Real Account

Debit : What Comes in

Credit: What Goes Out

Nominal account

Debit : All Expenses and Losses

Credit : All Incomes and Gains

2. Modern Classification

Under this classification, all the accounts are classified into the following five categories

(a). Assets account – Assets accounts are those accounts which relates to the economic resources of an enterprises such as land and building, plant and machinery, furniture etc.

(b). liability Accounts – liability accounts are accounts of lenders, creditors for goods, outstanding expenses, etc.

© . Capital accounts – These are the accounts of proprietors/partners who have invested amount in the business. It includes both capital and drawings account.

(d). Revenue accounts – These are accounts of incomes and gains. For example Sales, Discount received, interest Received, Commission received, bad debts recovered, etc.

(e). Expenses accounts – these are the accounts of expenses or losses incurred in carrying the business. For example purchases, wages, salaries, depreciation, rent etc.

Rules for Debit and Credit

Types of Account	Account to be Debited	Account to be Credited
1.Asset Accounts	Increases	Decreases
2.LiabilityAccounts	Decreases	Increases
3.Capital accounts	Decreases	Increases
4.Revenue accounts	Decreases	Increases
5.Expenses accounts	Increases	Decreases

Accounting life Cycle :

Steps involved in accounting life cycle,

Step-1 Day Book

Step-2 Journal Entries

Step-3 Ledgers

Step-4 Trial Balance

Step-5 Final Accounts

Step-1 Day Book

Recoding every business transaction in date wise order. Day book is a journal or a daily record where in the transactions are recorded in chronological order, i.e. as and when they take place. The act of recording a transaction in the journal is called Journalizing.

For example:

- 1.Kiran stated a business with capital of Rs. 2,00,000
- 2.Purchased Machinery for cash Rs.25,000
- 3.Cash deposited at ICICI bank Rs. 50,000
- 4.Sold goods for cash Rs. 70,000.

Step-2 Journal Entries:

Identifying the accounts and summarizing the accounts with debit and credit aspects in each transaction. The process of recording the business transactions in the Journal is known as journalizing. To divide business transaction into two aspects and recording in the journal is called Journal Entry.

The word Journal is derived from the French word "Jour", Which means a day. So the book which is used to record day today transactions is called "Journal". This is the first accounting record. All the business transactions are recorded first in the "Journal". So journal is called as a book of first entry or book of original entry or book of prime entry or day book.

Date	Particulars	LF	Debit	Credit

Analysis of Business transactions

S.No	Business Transactions	Name of the account to be debited	Name of the account to be Credited
1	Krishna started business with cash Rs.1,00,000/-	Cash account	Capital account
2	Cash taken by proprietor for personal use Rs.5,000/-	Drawings account	Cash account
3	Goods Purchased for cash/ Cash Purchases Rs. 10,000/-	Purchases account	Cash account
4	Goods sold for Cash to Ravi Rs.25,000/-	Cash account	Sales account
5	Goods Purchased from Venkat Rs.5,000/-	Purchases account	Venkat account
6	Goods sold to Pavan Rs. 7,000/-	Pavan account	Sales account
7	Goods Returned to Venkat Rs.2,000/-	Venkat account	Purchase return
8	Goods return by Pavan Rs. 1,000/-	Sales return account	Pavan account
9	Furniture Purchased for Cash from Ravi Rs. 50,000/-	Furniture account	Cash account
10	Machinery purchased from Tata ltd Rs. 15,000/-	Machinery account	Tata ltd
11	Motor car sold to Anil Rs. 25,000/-	Anil account	Motor Car
12	Old cycle Sold to Kumar for Cash Rs. 1500/-	Cash account	Old cycle account
13	Received from Vishnu / Cash Received from Vishnu Rs.2,000	Cash account	Vishnu account
14	Cash paid to Gopal Rs. 2500/-	Gopal account	Cash account
15	Commission Received from Kiran Rs.5,000/-	Cash account	Commission received
16	Interest received Rs.2,000/-	Cash account	Interest received
17	Rent paid Rs.5,000/-	Rent account	Cash account
18	Salaries paid to staff Rs.20,000/-	Salaries account	Cash account
19	Cash deposited into bank Rs.10,000	Bank account	Cash account
20	Cash withdrawn from bank for office use Rs.20,000/-	Cash account	Bank account
21	Cash withdraw from bank for private use Rs. 10,000/-	Drawings account	Bank account
22	Own Furniture brought by the Proprietor into the business Rs.5,000/-	Furniture account	Capital account
23	Cash Received from Ravi Rs.9,500/- in full settlement of his account of Rs. 10,000/-	Cash account Discount allowed a/c	Ravi account
24	Cash Paid to Kumar Rs.4500/- in full settlement of his account of Rs.5,000/-	Kumar account	Cash account Discount received
25	Loan taken from Anil Rs. 1,500/-	Cash account	Anil loan account

26	Interest on loan Paid to Anil Rs. 500/-	Interest account	Cash account
27	Interest on loan received from Sunil Rs.10,000/-	Cash account	Interest on loan a/c
28	Cheque received from krishna Rs. 5,000/- and immediately deposited into bank	Bank account	Krishna account
29	Cheque received from Balaji towards commission Rs. 10,000/- and immediately deposited into bank	Bank account	Commission received
30	Goods taken by the proprietor for his personal use Rs. 7,000/-	Drawing account	Purchases account
31	Gopal started business with cash Rs. 20,000, furniture Rs.5,000, Goods Rs.5,000 and Machinery Rs.10,000/-	Cash account Furniture account Goods / Stock account Machinery account	Capital account
32	Amount due from prasad Rs. 500 was written off as bad debt, as he became insolvent	Bad debts	Prasad
33	Bad Debts recovered from X Rs. 500	Cash account	Bad debts recovered
34	Interest on Drawings Rs. 2,000/-	Capital account	Interest on Drawings
35	Interest on Capital Rs.1,000/-	Interest on Capital a/c	Capital a/c
36	Bank Charges Rs.500/-	Bank charges a/c	Bank a/c
37	Interest on bank deposits Rs.1,500/-	Bank account	Interest on bank deposits a/c
38	Interest on Bank over Draft Rs. 500/-	Interest on Overdraft	Bank account
39	Interest on investment collected by bank Rs. 1,000/-	Bank account	Interest on investment account
40	Insurance premium paid by bank Rs. 1,000	Insurance premium	Bank account
41	Cash stolen from business Rs. 1,000	Loss by theft	Cash account
42	Computer Purchased from HCL Ltd Rs. 25,000.its installation expenses paid Rs. 500	Computer account	HCL Ltd Cash account
43	Goods purchased from kumar for Rs.10,000 and paid Rs. 2,000 to him	Purchases account	Kumar account Cash account
44	Goods sold to Ravi for Rs. 12,000 and received Rs. 5,000 from him	Ravi account	Cash account Sales account
45	Depreciation on Machinery Rs.5,000	Depreciation account	Machinery account

Step- 3 Ledgers:

A ledger may be defined as a “Book which contains, in a summarized and classified form, a permanent record of all transactions.” It is the most important book of account, since the trial balance is drawn from it and from the trial balance, financial statements are prepared. Hence ledger is called the principal book of account.

Name of the Account

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount

Example Problem -1

Prepare Ravi account from the following particulars

- 2024 Jan. 01 Amount due to Ravi Rs. 4,500
Jan. 03 Cash Purchases from Ravi Rs. 1,000
Jan. 05 Goods bought from Ravi Rs. 2,000
Jan. 10 Goods returned to Ravi Rs.200
Jan. 15 Cash Paid to Ravi Rs. 2,000
Jan. 20 Purchased goods for cash from Ravi Rs.2,000
Jan. 25 Bought goods from Ravi Rs. On Credit Rs.1,000
Jan. 31 Settle Ravi account by Cheque.

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Ravi Account

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
2024				2024			
Jan 10	To Pur Return a/c		200	Jan 01	By Balance b/d		4,500
Jan 15	To Cash a/c		2,000	Jan 05	By Purchases a/c		2,000
Jan 31	To Bank a/c (B/f)		5,300	Jan 25	By Purchases a/c		1,000
			7,500				7,500

Step-4 Trial Balance:

“A trial balance is a statement, prepared with the debit and credit balances of the ledger accounts to test the arithmetical accuracy of the books.”

Trial balance as on -----

Name of Accounts	L.F.No	Debit Rs.	Credit Rs.

Example Problem -1

From the following list of balances, Prepare a Trial Balance:

Capital account Rs. 2,00,000, Debtors a/c Rs. 30,000, Fixed assets Rs. 1,92,000, Sales Rs. 1,10,000, Returns outwards Rs. 1,000, Bills Payable Rs. 8,000, Bank Overdraft Rs. 11,000 , Opening stock Rs. 15,000, Creditors Rs. 30,000, Purchases Rs. 70,000, Returns inward Rs.2,000,Wages Rs.30,000, Bills Receivable Rs. 15,000, Rent Rs. 6,000.

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Trial balance as on -----

Name of Accounts	L.F.No	Debit Rs.	Credit Rs.
Capital account			2,00,000
Debtors account		30,000	
Fixed assets		1,92,000	
Sales			1,10,000
Return outwards			1,000
Bills Payables			8,000
Bank Overdraft			11,000
Opening stock		15,000	
Creditors			30,000
Purchases		70,000	
Returns inwards		2,000	
Wages		30,000	
Bills receivables		15,000	
Rent		6,000	
Total		3,60,000	3,60,000

Step-5 Final Accounts:

Preparation of final accounts is the last phase of the accounting process.

Financial statements are the statements prepared at the end of the accounting period to determine the financial performance, i.e., profit earned or loss incurred during the accounting period and also the financial position of the business as on the date. A complete set of financial statements or final accounts include

- (i). Trading and Profit and Loss account
- (ii). Balance Sheet

Trading account of ----- for the Year ended

Particulars	Amount	Amount	Particulars	Amount	Amount
To opening	XXX	XXX	By sales	XXX	
To purchases	XXX		Less: sales returns	XXX	
Less: purchase returns		XXX	By loss of goods due to fire , theft etc....,		
Direct expenses:					
To wages		XXX	By closing stocks		
To carriage inward		XXX			
To cartage inward		XXX			
To freight inward		XXX			
To import/customs duty		XXX			
To octroi duty		XXX			
To fuel		XXX			
To power		XXX			
To dock dues		XXX			
To clearing charges		XXX			
To Marine insurance		XXX			
To gross profit c/d (transferred to profit & loss A/c)		XXXX			XXXX

Profit and Loss account of ----- for the Year ended

Particulars	Rs.	Amount	Particulars	Rs.	Amount
To Administrative (or)Office (or) Management Expenses:			By gross profit b/d		
To Office salaries			By discount received		
To Office rent, rates, taxes			By interest received		
To Office insurance			By commission received		
To Office lighting and heating			By rent received		
To Printing & stationary			By dividends received		
To Postage & telegrams			By apprentice premium received		
To Telephone charges			By bad debts recovered		
To Legal charges			By interest on bank deposits		
			By interest of drawings		

To Audit fees To Office electricity charges To Staff welfare expenses To General expenses To Bank charges To Other office expenses To Selling & distribution expenses To Salaries to sales staff Travelling expenses To Advertisement exp. To Agents commissions To Brokerage To Bad debt To Free samples To trade expenses To Godown / warehouse/ storage exp. To Delivery van expenses To Carriage out wards To Packing charges To Royalty(based on sales) To Maintenance expenses: To Repairs to fixed assets To Depreciation of fixed assets To Petrol , Diesel & Oil, exp of motor vehicle. To Financial expenses: To Discount allowed To Interest on capital To Interest on loans To Interest on overdraft To Loss on sales of assets To Provision To Provision of bad & doubtful debts To Provision for discount on			By interest of investments By profit on sale assets By provision of discount on creditors By provision forbad & doubtful debts (decrease) By royalty received By other incomes / profits By Net Loss (Transfer to balance sheet)		
---	--	--	--	--	--

debts					
To Provision for deprecation					
To Provision for other expenses					
To Other expenses or losses					
To Net profit (transferred to Balance sheet)					
		XXXXX			XXXX

Balance Sheet of ----- as on ----

Liabilities	Rs.	Amount	Assets	Rs.	Amount
Capital			Fixed assets		
Add: Net profit			Tangible assets		
Less: Net Loss			Land and building		
Less: Drawings			Plant and Machinery		
Add: Interest on Capital			Furniture		
Less: Interest on drawings			Vehicles		
Reserves & Surplus			Equipment etc		
General reserve			Intangible assets		
Capital Reserve			Goodwill		
Securities Premium			Trade marks		
Loans			Copy rights		
Short term Loans			Patents		
Long term loans			Investments		
Current Liabilities			Short term investments		
Sundry Creditors			Long term investments		
Bills Payable			Current Assets		
Bank Overdraft			Cash in hand		
Outstanding expenses			Cash at bank		
Incomes received in advance			Stock / Inventory		
Provision for taxation			Sundry debtors		
			Bills Receivables		
			Prepaid expenses		
			Accrued incomes		
		xxx			xxx

Adjustments in Final Accounts

1. Closing Stock / Unsold Stock

Closing stock a/c Dr
 To Trading a/c

Effect : Trading a/c → Credit Side
 Balance Sheet → Asset side

2. Outstanding Expenses / Unpaid Expenses/Expenses Payable

Expenses a/c Dr
 To Outstanding expenses a/c

Effect: Trading & Profit & Loss a/c → Added to the Concerned expenses account
 Balance Sheet → Liabilities side

3. Prepaid Expenses / Unexpired expenses / Expenses paid in advance

Prepaid expenses a/c Dr
 To Expenses a/c

Effect : Trading & Profit and Loss a/c → Deducted from the concerned expenses account
 Balance Sheet → Asset Side

4. Outstanding income/Accrued income /Income Receivable

Accrued Income a/c Dr
 To Income a/c

Effect: Profit and Loss a/c → Added to the concerned income account
 Balance Sheet → Asset side

5. Income received in advance / Unearned income /Unaccrued Income

Income a/c Dr
 To Income received in advance a/c

Effect: Profit and Loss a/c → added from the concerned income account
 Balance sheet → Liabilities side

6. Depreciation on Fixed assets

Depreciation a/c Dr
 To Asset a/c

Effect: Profit and Loss a/c → debit side
 Balance Sheet → Deducted from the concerned Fixed asset account

7. Appreciation on Fixed assets

Asset a/c Dr
 To Appreciation a/c

Effect: Profit and Loss a/c → Credit side
 Balance Sheet → Added to the concerned fixed asset account

8. Interest on Capital

Interest on Capital a/c Dr
 To Capital a/c

Effect: Profit and Loss a/c → debit Side
 Balance Sheet → Added to the Capital account

9. Interest on Drawings

Drawings/Capital a/c Dr
 To Interest on Drawings a/c

Effect: Profit and Loss a/c → Credit Side
 Balance sheet → Deducted from Capital account

10. Interest on loan Outstanding

Interest on loan a/c Dr
 To Loan a/c

Effect: Profit and loss a/c → Debit Side
 Balance sheet → Liabilities side

11. Interest accrued on investment/ Interest receivable on investments

Interest accrued on investment a/c Dr
 To Interest on investments a/c

Effect: Profit and Loss a/c → Credit side
 Balance sheet → Asset side → Added to the investment account

12. Bad debts

Bad debts a/c Dr
 To Debtors a/c

Effect: Profit and Loss a/c → Debit side
 Balance Sheet → Deducted from the debtors account

13. Provision or Reserve for bad and doubtful debts

Profit and Loss a/c Dr
 To Reserve for bad debts a/c

Effect: Profit and loss a/c → Debit side
 Balance Sheet → deducted from the debtors account

14. Reserve for discount on Creditors

Reserve for Discount on Creditors a/c Dr
 To profit and Loss a/c

Effect: Profit and loss a/c → Credit side
 Balance Sheet → Deducted from the creditors account .

2.COMPUTERIZED ACCOUNTS

Computerizes accounts mean operating the accounts with the help of accounting software in power computer.

Accounting Packages – They are

Tally ERP 9/ Tally Prime , Wings, Focus, Quick books, ZOHO, Wave Accounting, Fresh Books etc.

Process:

The below steps involved in Tally Software

Step-1 Company Creation

Step-2 Identification of Groups

Step-3 Creation of Ledgers

Step-4 Creation of stocks

Step-5 Enter the Accounting Vouchers.

Then remaining reports are automatically displayed

Reports – Day Book, Cash and Bank book, Trial Balance, Purchase Register, Individual ledgers accounts, Trading & Profit and Loss account, Balance Sheet etc.

How to Create Company

Company creation means particular company accounting data is stored in a particular company in tally software. For that we have to create company in tally software.

When we first started a business, Shop, Want to manage the organization or firm in tally , So the first thing to be done is to create a company in the name of that firm. These companies are formed before the start of work in the tally.

Company Creation (Company formation)

Follow the following steps to create a company in a tally –

1.Gotocompanyinfomenu

2. Create Company Select the option of

3. Shortcut key Alt + F1 or shortcut key Alt + F3 By going to Create Company Choose Option.

As soon as we choose this option company creation of window Will open in which fill the information sought and Ctrl + A button Press and save.

Details to be filled in company creation window

Fill Basic Data

- **Directory** – This field is already full, this field contains the path of the tally , Where Tally Software Loads The cursor leaves this field and the company to be created automatically stores it in this directory.
- **Name** – Enter that name in this field , Name by which you want to create a company like Trisha Pvt Ltd.
- **Mailing Name** – Enter the company's mailing name in this field. The name of the company is usually the malting name. |
- **Address** – The complete address of the company is maintained in this field.
- **State** – In this field, enter the state in which your business is established.
- **Pin code** – Enter the pin code of the place in this field , Where the companies are established
- **Telephone Number** – Enter the company's telephone number in this field.
- **E-mail Address** – Enter the company's email address in this field.
- **Website** – Enter the company website in this field

Books and financial year details

- **Financial Year From** – Enter the starting date of the financial year in this field like – 01 – Apr – 2019
- **Books Beginning From** – Enter the dates of opening of books of accounts in this field, such as – 01 – Apr – 2019 .

- **Security control** – If you want to activate security on the company , So try this option and enter it after entering the user name and password.

Base Currency Information

All these fields are autofill, you can change as per your requirement.

Base currency symbol

- Formal name
- Suffix symbol to amount?
- Add space between amount and symbol?
- Show amount in millions?
- Number of decimal places
- Word representing amount after decimal
- Number of decimal places for amount in words

Now after filling all the information in the last ,By pressing the enter button or Ctrl + A Save the information by pressing the button.

Select company in tally Select company

Gateway of Tally – F1 (Select Company)

or

Gateway of Tally – Alt + F1 (Select Company)

or

Gateway of Tally – Alt + F3 (Select Company)

Alter company in tally Revise company

If you want to make any kind of change in an already created company, So from the gateway of tally F1 Select the company by pressing the key, In which you want to change. After selecting the company Alt + F3 Press key, which will display the Company Info menu. Select the Alter option from here. This will display the company alteration screen. After making changes to it, save it.

1. Gateway of tally
2. Press F1 (Select the Company)
3. **Alt + F3**
4. Alter 4 Select company

Delete company in tally Company removal

any company To delete First to that company To select Do it Again Alt + F3 From company infon menu by pressing key Alter Select the option. Select the company you want to delete and after selecting it Alt + d Use the key. Due to which the selected company will be deleted.

1. Gateway of tally
2. Press F1 (Select the Company) Alt + F3
3. Alter
4. Select company
5. **Alt + d**

(A)Company Creation:

- Create a new company in Tally Prime. Choose an appropriate name and provide necessary details such as address, financial year, and currency.
- Specify whether the company operates in manufacturing, trading, or service industry.
- Set the appropriate base currency for the company.

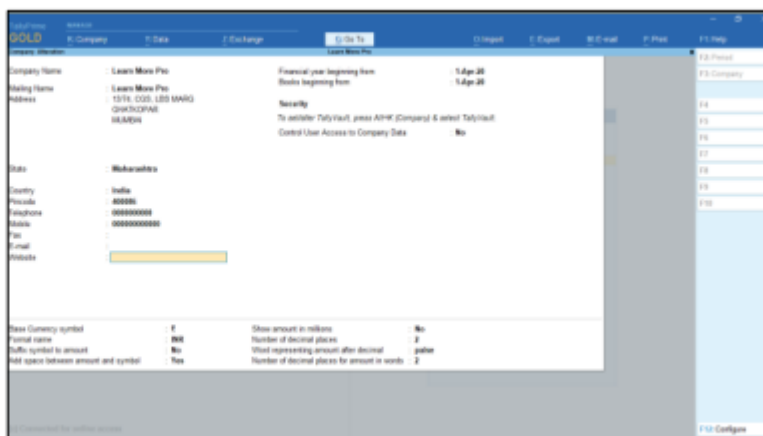
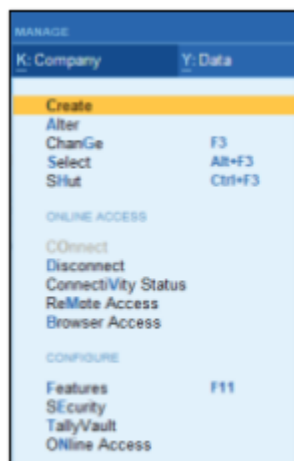
(B) Altering Company Details

- Alter the details of the company you created in Task 1. Change the address or financial year if necessary.
- Explore other options for alteration such as changing the company name or currency.

(C)Deletion of Company:

- Practice deleting the company created in Task 1. Make sure to take necessary precautions as deletion cannot be undone.

- Confirm the deletion and ensure that all data related to the company is permanently removed from Tally Prime.



Tally Prime Masters:

Masters are the containers of the Accounting Data. These are the heads, which will be set once and used in many places such as Accounting Voucher Creation, Reports Generation etc. Data stored in Masters is independent.

Account Masters are the principal accounting entities representing similar transaction (Account Ledgers) and similar accounts (Account Groups) along which all transaction date are compiled, summarized and balanced, to be reflected in various Accounting Reports & Financial statement (profit & Loss Account & Balance sheet).

Types of masters

- Accounting Masters
- Inventory Masters
- Payroll Masters and
- Statutory Masters

Accounting Masters

Account Ledger are entities representing similar transactions.

Account Groups are just convenient & systematic grouping of ledger Accounts of similar nature.

Tally automatically creates 28 Reserved Account Groups and 2 Reserved Ledger Accounts.

- Group
- Ledger
- Cost category
- Cost centre
- Currency
- Rates of Exchange
- Budget
- Voucher Type
- Credit limits

Inventory masters

To maintain inventory system, first, you need to create masters in respect.

- Stock Group
- Stock category
- Stock item
- Unit
- Godown

- Price levels

Payroll Masters

Activation & set Up of payroll Features for the company.

- Employee category
- Employee Group
- Employee
- Units(Work)
- Attendance/ production type
- Pay Heads
- Payroll voucher type

Statutory master

- GST classification
- TDS Nature of payments
- TCS Nature of Payment
- VAT classification
- Tax Units
- Excise Duty Classification
- Excise Classification
- Excise Book
- Service Category

Ledger

Ledger account is a summary statement of all the transactions relating to a person, asset, liability, expense or income. the transactions recorded in the journal, the ledger account is prepared. It is a book which contains all sets of accounts, namely, personal, real and nominal accounts. Account balance can be determined from the ledger. It contains a classified and permanent record of all the transactions of a business.

Example: Office Expenses, Purchase, Machinery, Ravi, ank loan etc..

Note: Cash, profit/loss are default ledgers in tally.

Group

The group is a collection of ledgers of the same natures.

Tally software automatically creates 28 groups. The 28 groups are divided into two types. They Prime Groups and Sub groups.

- Primary Group: - Primary Group is a Main Group
- Sub Group: - Sub group is a part of Main Group

Prime Group:

GROUP	LEDGER
Capital Accounts	Share capital , Srihari capital
Loan Liabilities	Bank loan, loan received from any party
Current Liabilities	Payables, outstanding amounts
Current assets	Receivables, Prepaid amounts
Fixed assets	Machinery , factory, land& building
Investments	Investing on Shares, any investment names
Sales Accounts	Credit sales, Sales Returns
Purchase Accounts	Credit purchase, Purchase Returns
Suspense Account	Suspense ledger
Direct Expenses	Wages, Import Duty, All purchase& Manufacturing expenses
Indirect Expenses	Office expenses, Selling expenses and Financial exp
Direct Income	Income earned from sale of goods and services

Indirect Income	Earned by Way of Non Business activities
Branch/Division	This maintains ledger accounts of all your company's branches, divisions, affiliates, sister concerns, subsidiaries and so on.

SUB GROUPS

Sundry Creditors	Purchase party name or supplier name
Sundry Debtors	Sales party name or Customer Name
Provision	Provision for doubtful debts, provision for tax
Cash in Hand	Liquid Cash in Company
Bank Accounts	Indian bank, SBI bank, Any bank Name
Duties & Taxes	Service tax, CGST,SGST,IGST
Deposit (Asset)	Fixed deposits
Loans & Advances (Assets)	Salary advance, Loans to partner
Bank OD & OCC Account	Bank OD , Bank OCC
Secured Loans	Car Loan, Home Loan
Unsecured Loans	Credit cards, Student Loan
Stock in Hand	Opening Stock , Closing stock
Reserves & Surplus	General Reserves, Capital Reserves (Funds set aside to pay future obligations)

(A) Group Creation:

- Create new groups in Tally Prime based on the standard classification (e.g., Assets, Liabilities, Income, Expenses).
- Assign appropriate ledger groups to each group created.
- Ensure proper hierarchy and organization of groups.

(B)Altering Groups:

- Modify the details of existing groups as needed. This could include changing the group name, altering the parent group, or updating other properties.
- Ensure that the changes made do not disrupt the overall structure of the chart of accounts.

(C)Deleting Groups:

- Practice deleting groups that are no longer required. Make sure to handle this task with caution as deleting a group may affect associated ledgers.
- Verify that ledgers associated with the deleted group are appropriately re-assigned to another group or left ungrouped.

Ledger

Ledger creation means creating Name of accounts. For every accounting voucher we need account names for that we have to create ledgers.

Ledger Creation:

Gate way of Tally → Masters -→ Create -→ Ledger

TallyPrime		MANAGE	
EDU		K: Company	Y: Data
Z: Exchange			
Ledger Creation			
Name	:	Rent Account	
(alias)	:		

Under

: Indirect Expenses

Alter Ledger

Gate way of Tally → Masters -> Alter -> Ledger → Select ledger and modify

Delete Ledger

Gate way of Tally → Masters -> Alter -> Ledger → Select ledger and modify

Then ledger alteration will be displayed, then press ALT+D and press Enter.

Tally Prime Ledger & Stock Items Creation Alteration, Deletion

(A) Ledger Creation:

- Create new ledgers for various accounts such as Sales, Purchases, Rent, Salary, etc.
- Ensure to assign appropriate groups for each ledger based on the nature of the account.
- Include details such as ledger name, alias (if necessary), address, and other relevant information.

(B) Altering Ledgers:

- Modify the details of existing ledgers as needed. This could include changing the ledger name, alias, group, or other properties.
- Ensure that the changes made do not disrupt the overall structure of the chart of accounts.

(C)Deleting Ledgers:

- Practice deleting ledgers that are no longer required. Make sure to handle this task with caution as deleting a ledger may affect associated transactions.
- Verify that transactions associated with the deleted ledger are appropriately adjusted or reallocated.

ALT +D → Delete

TallyPrime	MANAGE		
EDU	K: Company	Y: Data	Z: Exchange
Ledger Creation			
Name	: Travelling Expenses Account		
(alias)	:		

Under : Indirect Expenses

Accounting Vouchers

What is voucher

Voucher is a type of written statement detailing all Financial or Non-Financial transactions. Voucher is an important part of the business; it uses Voucher in all types of business. In Tally we are Voucher Entry accordingly.

Every business ought to have transactions where their ultimate profit and loss bring up. So, managing the transactions smarter gives a boost to the organizations. As many organizations moved toward, the voucher is the primary online document used to record the transactions.

Example: a purchase invoice, a sales receipt, a petty cash docket, a bank interest statement.

Types of Voucher –

- Accounting Voucher
- Inventory Voucher

Types of Accounting Vouchers:

- Payment Voucher (F5)
- Receipt Voucher (F6)
- Contra Voucher(F4)
- Journal Voucher(F7)
- Sales Voucher(F8)
- Purchase Voucher (F9)
- Credit Note Voucher
- Debit Note Voucher

Payment Voucher (F5)

Payment voucher is used to account all the payments made by the company by way of Cash/Bank. A payment voucher is a type of accounting voucher used to record payments made to suppliers or vendors. Payment vouchers are used to keep track of all expenses incurred by a business, such as payments for goods or services received.

- Record payments made by the company for expenses such as rent, utilities, salaries, etc. Include details like payee name, mode of payment, amount, and date of payment.
- Utilize the payment voucher type in Tally Prime for recording payment transactions.
- Cross-check the payment entries with supporting documents (e.g., bank statements, receipts) to ensure correctness.

Payment voucher can be passed using **Single Entry** or **Double Entry mode** by configuring the setting **Use Single Entry mode for Pymt/Rcpt/Contra** in **F12 configuration**.

TallyPrime MANAGE
EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Accounting Voucher Creation RNR Software Solutions

Payment No. 1 31-Mar-23 Friday

Account : Cash
Current balance: 60,000.00 Cr

Particulars Amount

Rent Account 50,000.00

Cur Bal: 50,000.00 Dr

Narration:
being rent paid for the month of March'24

50,000.00

F2: Date
F3: Company
F4: Contra
F5: Payment
F6: Receipt
F7: Journal
F8: Sales
F9: Purchase
F10: Other Vouchers
E: Autofill
H: Change Mode
I: More Details
Q: Related Reports
L: Optional
T: Post-Dated
J: Stat Adjustment

Receipt Entry (F6)

A receipt voucher is a physically composed receipt for services or products sold. This is regularly utilized instead of a printable receipt. At the point when an individual makes a money installment to an organization, he typically gets a transcribed receipt as confirmation of payment.

Any money received from debtors against sales Invoices or on Account and for all transactions where money is received are accounted or entered into Tally.ERP 9 using the Receipt Voucher.

- Enter receipts received by the company, such as income from sales, loans, investments, etc. Include details such as payer name, mode of receipt, amount, and date of receipt.
- Use the receipt voucher type in Tally Prime for recording receipt transactions accurately.
- Validate the receipt entries against supporting documents to ensure accuracy.
 - Go to Gateway of Tally > Accounting Vouchers.
 - Select F6: Receipt from the button bar or press F6.

For example, if your company receives money from a customer for an earlier transaction say sales, and the same is passed through a Receipt Voucher:

- Credit the customer account and debit the Cash account, if you receive cash or
- Debit the Bank account where you need to deposit the money, if you receive Cheques.

TallyPrime MANAGE
EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help
Accounting Voucher Creation RNR Software Solutions
Receipt No. 1 31-Mar-23 Friday
Account : Cash
Current balance: 70,000.00 Dr
Particulars Amount
Interest Received A/c 70,000.00
Cur Bal: 70,000.00 Cr
Narration: being interest received
70,000.00
F2: Date
F3: Company
F4: Contra
F5: Payment
F6: Receipt
F7: Journal
F8: Sales
F9: Purchase
F10: Other Vouchers
E: Autofill
H: Change Mode
I: More Details
Q: Related Reports
L: Optional
I: Post-Dated
J: Stat Adjustment

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:

- Cash account to Cash account
- Cash account to Bank account
- Bank account to Cash account
- Bank account to Bank account
- Perform contra voucher entry to record transactions involving bank accounts, such as transfers between bank accounts or cash deposits/withdrawals.
- Include details such as bank account names, transaction type (deposit or withdrawal), amount, and date.
- Use the predefined contra voucher type in Tally Prime for recording contra transactions accurately.

To view the Contra Voucher Entry Screen,

- Go to **Gateway of Tally > Accounting Vouchers**
- Select **F4: Contra** from the Button Bar or press **F4**.

TallyPrime MANAGE
EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Accounting Voucher Creation KNR Software Solutions

Contra No. 1

31-Mar-23 Friday

Account : Cash
Current balance: 20,000.00 Dr

Particulars Amount

Bank Account 20,000.00
Cur Bal: 20,000.00 Cr

Narration:
being cash withdraw from bank

20,000.00

F2: Date
F3: Company
F4: Contra
F5: Payment
F6: Receipt
F7: Journal
F8: Sales
F9: Purchase
F10: Other Vouchers
E: Autofill
H: Change Mode
J: More Details
Q: Related Reports
L: Optional
I: Post-Dated

Journal Entry : (F7)

- Practice recording journal entries for accounting adjustments such as depreciation, accruals, prepayments, etc.
- Use the journal voucher type in Tally Prime to record these adjustments.
- Ensure that the journal entries adhere to accounting principles and are accurately reflected in the company's financial statements.

TallyPrime MANAGE
EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Accounting Voucher Creation KNR Software Solutions

Journal No. 3

1-Apr-24 Monday

Particulars Debit Credit

By Depreciation A/c 10,000.00
Cur Bal: 11,000.00 Dr

To Plant and Machinery A/c 10,000.00
Cur Bal: 11,000.00 Cr

Narration:
being depreciation provided on plant and machinery

10,000.00 10,000.00

F2: Date
F3: Company
F4: Contra
F5: Payment
F6: Receipt
F7: Journal
F8: Sales
F9: Purchase
F10: Other Vouchers
E: Autofill
H: Change Mode
J: More Details
Q: Related Reports
L: Optional
I: Post-Dated
J: Stat Adjustment

Purchase Voucher (F9)

It is a receipt given for cash paid or payment made through cheques. It support the entry passed in the books of accounts. It gives full details, of payments made and gives reasons for its payment. Purchase voucher is an important document giving details of the goods purchased on cash or credit from the vendor.

When a company buys goods on credit or cash, **Purchase voucher** is used to record all the Purchase transactions of the company.

- Enter purchase transactions for the same hypothetical company. Include supplier name, invoice number, date, items purchased, quantity, rate, and total amount.
- Use the purchase voucher type in Tally Prime to record purchase transactions accurately.
- Verify the entered data against purchase invoices to ensure accuracy.
 - Go to **Gateway of Tally > Accounting Vouchers**.
 - Click on **F9:Purchase** on the Button Bar or press **F9**.

TallyPrime MANAGE
EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help
 Accounting Voucher Creation KNR Software Solutions

Purchase No. 1
 Supplier Invoice No. 101 Date : 31-Mar-23 31-Mar-23 Friday
 Party A/c name: Bank Account
 Current balance:
 Purchase ledger: Purchase Account
 Current balance:

Name of Item	Quantity	Rate	per	Amount
Iphones 14	10 no's	55,000.00	no's	5,50,000.00
• End of List				

Narration: 10 no's 5,50,000.00
 being purchased iphones

F2: Date
 F3: Company
 F4: Contra
 F5: Payment
 F6: Receipt
 F7: Journal
 F8: Sales
 F9: Purchase
 F10: Other Vouchers
 E: Autofill
 H: Change Mode
 J: More Details
 Q: Related Reports
 L: Optional
 T: Post-Dated

Sales Voucher (F8)

A sales journal entry records a cash or credit sale to a customer. It does more than record the total money a business receives from the transaction. Sales journal entries should also reflect changes to accounts such as Cost of Goods Sold, Inventory, and Sales Tax Payable accounts

Sales Voucher is used to record the Sales transactions of the company. You can pass an entry using the Voucher mode or the Invoice mode where the calculations can be automated and the transactions can be fed into the system easily.

- Record sales transactions for a hypothetical company. Include details such as customer name, invoice number, date, items sold, quantity, rate, and total amount.
- Utilize the sales voucher type in Tally Prime for accurate recording of sales transactions.
- Ensure that the transactions are entered correctly and are consistent with the company's sales records.

TallyPrime MANAGE
EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help
 Accounting Voucher Creation KNR Software Solutions

Sales No. 1
 Party A/c name: Bank Account
 Current balance:
 Sales ledger: Sales A/c
 Current balance:

Name of Item	Quantity	Rate	per	Amount
Iphones 14	5 no's	60,000.00	no's	3,00,000.00
• End of List				

Narration: 5 no's 3,00,000.00

F2: Date
 F3: Company
 F4: Contra
 F5: Payment
 F6: Receipt
 F7: Journal
 F8: Sales
 F9: Purchase
 F10: Other Vouchers
 E: Autofill
 H: Change Mode
 J: More Details
 Q: Related Reports
 L: Optional
 T: Post-Dated

Debit Note (ALT+F5)

Debit Note is a document issued to a party stating that you are debiting their Account in your Books of Accounts for the stated reason or vice versa. It is commonly used in case of Purchase Returns, Escalation/De-escalation in price, any other expenses incurred by you on behalf of the party etc.

Debit Note can be entered in voucher or Invoice mode.

You need to enable the feature in **F11: Accounting** or **Inventory** features .

- To use it in **Voucher mode** you need to enable the feature in **F11 :Accounting Features - Use debit and credit notes** .
- To make the entry in **Invoice mode** enable the option **F11: Accounting Features - Record debit notes in invoice mode** .

To go to Debit Note Entry Screen,

- Go to **Gateway of Tally > Accounting Vouchers**.
- Click on **Ctrl+F9: Debit Note** on the Button Bar or press **Ctrl+F9**.

Credit Note (ALT+F6)

Credit Note is a document issued to a party stating that you are crediting their Account in your Books of Accounts for the stated reason or vice versa. It is commonly used in case of Sales Returns, Escalation/De-escalation in price etc.

A Credit Note can be entered in voucher or Invoice mode.

You need to enable the feature in **F11: Accounting or Inventory features** .

- To use it in **Voucher mode** you need to enable the feature in **F11: Accounting Features - Use debit and credit notes** .
- To make the entry in **Invoice mode** enable the option **F11: Accounting Features - Record credit notes in invoice mode** .

To go to Credit Note Entry Screen

1. Go to **Gateway of Tally > Accounting Vouchers**.
2. Click on **Ctrl+F8: Credit Note** on the Button Bar or press **Ctrl+F8**.

Practical Exercise Problems

Problem No.1

1. RKM Techno started business with Rs.10,00,000 /-(F6)
2. Purchase computer Rs.1,80,000/-(F5)
3. Purchase furniture Rs.55,000/-(F5)
4. DCA Admission fee received Rs.1,20,000/-(F6)
5. AUTOCAD Admission fee received Rs.85,000/-(F6)
6. VFX Admission fee received Rs.65,000/-(F6)
7. Web design admission fee received Rs.95,000/-(F6)
8. Rent paid Rs.25,000/-(F5)
9. Current bill paid Rs.7,500/-(F6)
10. Salaries paid Rs.66,000/-(F5)
11. Telephone charges paid Rs 5,500/-(F5)
12. Other expenses Rs.5,000/-(F5)

Problem No.2

1. Rushi & co started business with Rs.20,00,000/-(F6)
2. Cash deposited at Vijaya bank Rs 9,00,000/-(F4)
3. Purchase computers Rs.1,20,000/-(F5)
4. Purchase furniture by cheque Rs.65,000/-,Ch. No :- 236548.(F5)
5. Nokia Mobiles service charges received Rs.1,20,000/-(F6)
6. LG Mobiles service charges received by cheque Rs.90,000/-,ch.no: 254871
7. Sony Mobiles service charges received Rs.88,000/-(F6)
8. Samsung Mobiles service charges received Rs.85,000/-,ch.no: 984661(F6)
9. Rent paid Rs.20,000/-(F5)
- 10.Current bill paid Rs.7,500/- (F5)
- 11.Salaries paid Rs.65,000/-(F5)
- 12.Telephone charges paid Rs.8,800/- (F5)
- 13.Other expenses Rs.6,000/- (F5)
- 14.Cash withdraw from Vijaya Bank Rs.65,000/-,ch.no:856479.(F4)

Problem No.3

1. Anuradha started business with Rs.10,00,000/-(F6)
2. Purchase machinery for cash Rs.1,00,000/-(F5)
3. Cash deposited at IDBI Bank Rs.6,00,000/-(F4)
4. Purchase goods for cash Rs.3,00,000/-(F9)
5. Purchase goods by cheque Rs.4,50,000/-,ch.no : 123456(F6)
6. Sales goods to cash Rs.8,00,000/-(F8)
7. Sales goods by cheque Rs.7,00,000/-,ch.no:456562(F8)
8. Rent paid Rs.55,000/- (F5)
9. Commission received Rs.13,000/- (F6)
10. Salaries paid by cheque Rs.49,000/-,ch.no :987456(F5)
11. Electricity bill paid Rs12,000/-(F5)

Problem No.4

1. Siva commenced business with RS.30,000/-(F6)
2. Deposited cash into SBI Bank Rs.6,000/-(F4)
3. Bought machinery Rs.10,000/-(F5)
4. Bought furniture by cheque Rs.3,000/-,ch.no:568923(F5)
5. Purchased goods from Mr.VinayRs.8,000/-(F9)
6. Sold goods from Mr. Kiran Rs.10,000/-(F8)
7. Paid for stationary Rs.1,000/-(F5)
8. Carriage Inwards Rs.500/-(F5)
9. Purchase goods from Mr. Vasu Rs.16,000/-(F9)
10. Sold goods to Mr. Ravi Rs.10,000/-(F8)
11. Sold goods to Mr. Santosh for cash Rs.3,000/-(F8)
12. Received discount Rs.800/-(F6)
13. Cash paid for wags rs.1,200/-(F5)
14. Cash sales rs.20,000/-(F8)
15. Received cash from Mr. Kiran rs.1,500/-(F6)
16. Received cash from Mr. Ravi rs.600/-(F6)
17. Received commission Rs.200/-(F6)
18. Rent paid Rs.400/-(F5)
19. Salaries paid Rs.800/-(F5)

Problem No.5

Journalise the following transactions of Rahul :

2022

- Jan 1 - Rahul started business with cash Rs.2,00,000
- Jan 2 – Paid into bank 60,000
- Jan 3 – Bought goods from Singh &Co Rs.20,000
- Jan 3 – Paid cartage on goods purchased Rs.300
- Jan 4 – Purchased furniture Rs.2,000
- Jan 4 – Paid advance for purchase of HP printers for Rs.15,000 - Rs. 5000
- Jan 4 – Purchased calculator Rs. 1,000
- Jan 4 – Purchased computer and paid by cheque Rs.13,000
- Jan 6 – Paid for mobile bill and interest(office) Rs.5,700
- Jan 8 – Sold goods for cash Rs.4,000
- Jan 9 – Sold goods to Sharda&Co 10,000
- Jan 9 – Paid cartage on goods sold to Sharda&Co 200
- Jan 15 – Paid to Singh&Co on account RS. 17,500
- Jan 25 – Sold goods to Ray&Co 5,600
- Jan 27 – Received cheque from Sharda & CO in settlement of amount
Due from them Rs.9,750
- Jan 31 – Paid for electricity charges Rs.1,000
- Jan 31 – Paid salary to office staff Rs. 1,500
- Jan 31 – Cash withdrawn for hospital expenses of owner Rs.7,500

Problem No.6

Journalize the following transactions of Singh Enterprises, Delhi:

2022

- June 1 – started business with cash Rs. 50,000
- June 2 – Deposited cheque from Savings Account in firms account Rs. 2,00,000
- June 3 – Received cheque from Ram as loan Rs.50,000
- June 4 – Purchased goods for cash Rs.15,000
- June 11 – Sold goods to M/s Hari Sales , Delhi Rs.12,000
- June 13 – Paid to Rama by cheque advance for machine Rs40,000
- June 17 – Received from M/s Hari Sales , Delhi Rs. 10,000
- June 20 – Bought furniture from S.R.Furnitures against cheque payment 22,400
- June 27 – Paid rent by cheque Rs.28,000
- June 27 – Sold the personal car and invested the amount in business Rs. 80,000
- June 27 – Goods costing Rs.2000 were destroyed by fire, these goods Were not insured
- June 30 – Paid life insurance premium for employees Rs. 5,000
- June 30 – Paid Salary Rs.20,000.

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.

Note: The **Inventory Info.** menu is displayed in the **Gateway of Tally** , if you set **Maintain Accounts only** to **No** in the **F11 > F1: Accounting Features** screen.

By using F11: Features , you can enable the various settings under inventory features which determine the information to be entered during transaction entries.

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.

Note: If you press F12 anywhere in the Menu, it will take you to the configuration menu.

To know more, click the links below:

- Stock Groups
- Stock Categories
- Stock Items
- Units of Measurement
- Stock Godown

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

- Create new stock groups to categorize inventory items based on their nature or characteristics.
- Ensure logical grouping to facilitate efficient inventory management.
- Assign appropriate parent groups to maintain a hierarchical structure.

TallyPrime
EDU

MANAGE
K: Company Y: Data Z: Exchange

Stock Group Creation

Name : Television
(alias) :

Under : ♦ Primary

Should quantities of items be added : No

Statutory Details

Stock Category

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

- Establish stock categories to further classify inventory items based on specific criteria such as brand, type, or department.

- Create relevant categories to streamline inventory organization and tracking.

For example,

Stock Item	Sub Group	Main Group	Sub-Category	Main Category
Brand A - 19" LED TV	Brand A	Grade One	LED TV	Television
Brand A - 17" Smart TV	Brand A	Grade One	Smart TV	Television
Brand B - 19" LED TV	Brand B	Grade Two	LED TV	Television
Brand B - 17" Smart TV	Brand B	Grade Two	Smart TV	Television

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** .

The screenshot shows the 'Stock Category Creation' dialog in TallyPrime. The 'Name' field is set to 'LED TV's' and the 'Under' field is set to '♦ Primary'. A confirmation box is displayed with the text 'Accept ?' and 'Yes or No' options.

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.

(A). Stock Item Creation:

- Create new stock items for products or inventory items maintained by the company.
- Include details such as stock item name, alias (if necessary), unit of measurement, and other relevant information.
- Specify whether the item is maintained in quantity or value.

(B) Altering Stock Items:

- Modify the details of existing stock items as needed. This could include changing the item name, alias, unit of measurement, or other properties.
- Ensure that the changes made do not impact existing transactions or calculations involving the stock item.

(C)Deleting Stock Items:

- Practice deleting stock items that are no longer required in the inventory.
- Ensure that there are no pending transactions or stock balances associated with the item before deletion.

TallyPrime		MANAGE	
EDU		K: Company	Y: Data
Stock Item Creation			
Name	:	LG TV	
(alias)	:		
<hr/>			
Under	:	Television	
Units	:	No's	

Units of Measure

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.

- Configure units of measurement (UOM) for inventory items based on their physical attributes or standard industry practices.
- Create UOMs such as pieces, kilograms, liters, etc., and define conversion factors if necessary.

TallyPrime		MANAGE	
EDU		K: Company	Y: Data
Unit Creation			
Type	:	Simple	
Symbol	:	No's	
Formal name	:	Number	
Unit Quantity Code (UQC)	:	NOS-NUM	
Number of decimal places	:	0	
		Accept ? Yes or No	

Godown Creation

- Define godowns or locations where inventory items are stored or managed.
- Create godowns to represent physical storage facilities such as warehouses, stores, or depots.
- Specify details such as godown name, address, contact information, etc.

TallyPrime		MANAGE	
EDU		K: Company	Y: Data
Godown Creation			
Name	:	Hyderabad Godown	
(alias)	:		
<hr/>			
Under	:	Main Location	
		Accept ? Yes or No	

Types of Inventory Voucher in Tally ERP 9 / Types of Inventory Vouchers

1. **Receipt Note** (Alt + F9)
2. **Delivery Note** (Alt+F8)
3. **Rejection Out** (Alt+F6)
4. **Rejection In** (ctrl+F6)
5. **Stock Journal** (Alt+F7)
6. **Physical Stock** (Alt + F10)
7. **Sales Order** (Alt+F5)
8. **Purchase Order** (Alt+F4)

Tally has various inventory vouchers available through which we can stock management or inventory management.

Receipt Note Voucher

What is Receipt Note Voucher – it is a inventory voucher through which we can use order given goods/goods for purchase. receipt note is Entry when Goods is received. entry in Receipt Note, our stock begins to appear. Receipt Note Voucher has a shortcut key Alt + F9.

Inventory Voucher : Receipt Note Entry

Delivery Note Voucher

What is Delivery Note Voucher – it is a inventory voucher through which we receive order for Sales on goods/goods. the Delivery Note Voucher is Entry after sending the Goods. Our stock decreases as soon as we entry in the Delivery Note Voucher. Delivery Note Voucher has a shortcut key Alt + F8.

Rejection Out Voucher

What is Rejection Out Voucher – it is a inventory voucher through which we purchase the goods given order/goods. When Goods is received, the item is returned from some item damage or any other reason. Then entry is done in Rejection Out Voucher. As soon as we entry in the Rejection Out Voucher, our item of the stock begins to decrease. Rejection Out Voucher has a shortcut key Alt + F6.

Rejection In Voucher

What is Rejection In Voucher – it is a Inventory Voucher through which we have received order for Sales/goods. When Goods is deliver, it comes back to item from some item damage or any other reason. Then entry is done in Rejection In Voucher. As soon as we entry in the Rejection in Voucher, our item of stock begins to look more visible. Rejection in Voucher has a shortcut key Alt + F7.

Stock Journal Voucher

What is Stock Journal Voucher – it is a inventory voucher through which we transfer stock from one godown to another godown stock.

For example – we have a godown, the first home godown and the second office godown in which we keep stock.

Stock Journal Voucher is also used for Manufacturing process in which Raw Material is transfer in Finished Goods.

Physical Stock Voucher

Physical Stock Voucher is used to record the actual stock, which can be Verify or Count. When we don't match stock and physcial stock written in our books, we difference stock entry we do it in Physical Stock Voucher.

Sales Order Voucher

What is **Sales Order Voucher** – it is a inverntory voucher through which we can use goods/goods for Sales. Goods order, which we Entry in Sales Order Voucher. entry in Sales Order Voucher does not make any difference in stock. the stock is reduced only when Sales Order is entry in Delivery Note Voucher. Sales Order Voucher has a shortcut key Alt + F5.

Purchase Order Voucher

What is Purchase Order Voucher – it is a inverntory voucher through which we purchase goods/goods for the purchase. Goods order, which we Entry in Purchase Order Voucher. entry in Purchase Order Voucher does not appear in stock. Purchase Order stock add only when entry in Receipt Note Voucher. Purchase Order Voucher has a shortcut key Alt + F4.

Problem No.1

1. Webs &co started business with Rs.10,00,000/-(F6)
2. Purchase Machinery Rs.1,20,000/-(F5)
3. Purchase furniture for Rs.10,000/-(F5)
4. Purchase 50LG TV's for cash @Rs.6,500/-(F9)
5. Purchase 25Sony TV's for cash @Rs.6,000/-(F9)
6. Purchase 25 Samsung TV's for cash @Rs.6,200/-(F6)
7. Sales 45 LGTV's for cash @Rs.7,500/-(F8)
8. Sales 23 Sony TV's for cash @Rs.7,000/-(F8)
9. Sales 22 Samsung TV's for cash @ Rs.7,000/-(F8)
10. Wages paid Rs.1,200/-(F5)
11. Salaries paid Rs.5,200/-(F5)
12. Carriages Inward Rs.1,360/-(F5)
13. Carriages Outward Rs.1,500/-(F5)
14. Received Commission Rs.3,200/-(F6)
15. Rent paid Rs.5,000/-(F5)

Problem No. 2

- 1.Tel &co started business with Rs.20,00,000/-(F6)
- 2.Cash deposited at SBI Bank Rs.15,00,000/-(F5)
- 3.Purchase furniture for cash Rs.75,000/-(F5)
- 4.Purchase machinery by cheque Rs.2,00,000/-,ch.no:124536(F5)
- 5.Purchase 20 Nokia mobiles for cash @ Rs.6,500/-(F9)
- 6.Purchase 30 LG mobiles by cheque @Rs.6,000/-,ch.no:224536(F6)
- 7.Purchase 25 Samsung mobiles by cheque @ Rs.6,200/-,ch.no:924536(F9)
- 8.Sales 18 Nokia mobiles for cash @ Rs.7,500/-(F8)
- 9.Sales 25 LG mobiles by cheque @Rs.7,000/-ch.no:125836(F8)
10. Sales 23 Samsung mobiles by cheque @ Rs.7,800/-(F8)
11. Rent paid by cheque Rs.12,000/-,ch.no:453656(F5)
12. Salaries paid by cheque Rs.8,500/-(F5)
13. Carriages Inward by cheque Rs.10,000/-,ch.no:245636(F5)
14. Commission received by cheque Rs.3,500/-,ch.no:568947(F6)
15. Bank charges Rs.1,200/-(F5)

Problem No.3

journalize the following transactions of A1 Fresh Super Market for the
Opening Balances as on 1st Apr 2023:

F.A.2023-24

Capital:15,00,000/-; Cash-in-hand:1,37,500/-;
Stock-13,62,500/-

Sona Rice	50bags (bag=25kgs) @44/kg
Priya Rice Rich Oil	55tins (tin=100kg) @8000/tin
Gold Sunflower Oil	85tins (tin=100kg) @9500/tin
Lux Soaps	20boxes(box=100pcs) @30/pcs

May2 Purchased 75 bags Sona Rice from Rama Rice Mills each bag Rs.1200/-

Jul31 Sold 50 bags Sona Rice to Prasad General Stores each bag Rs.1,400/-
 Oct2 Purchased 1000 Kgs Gold Sunflower Oil From Mehata &co Rs.80,000/-
 Oct31 Sold 600 Kgs Gold SF Oil to Victory Bazaar Super Market Rs.60,000/-
 Sep1 Purchased 100 bottles of Lion brand Honey from Sony&co Rs.20,000/-
 Dec31 Sold 75 bottles of Lion Honey to Praveen Rs.18,750/-
 Feb1 Cash received from Prasad Gen Stores Rs.50,000/-
 Feb1 Cash received from Victory Bazaar Rs.40,000/-
 Mar1 Salaries Rs.15,000/-
 Mar2 Rent Rs.20,000/-
 Mar31 Carriage inwards Rs.2,000/-
 Mar31 Carriage outwards Rs.1,000/-
 Mar31 Showroom Power Rs.3,000/-

Problem No.4

Journalize the following transactions of Newtech Computers RAJAHMUNDY selling Computer parts for the financial year 2017-18

Opening Balances as on 1-7-2017:

Capital:10,00,000/-; Andhra Bank A/c:20,000/- AXIS Bank A/c:50,000/-;
 Debtors:3,15,000/ (Yes Computers-1,50,000; Byte Computers-1,65,000)
 Creditors – 1,80,000/- (Zenith & Co -1,00,000/-; Sam & Co -30,000/-,Sri Computer world-50,000)
 Mobile Van: 1,20,000/-; Cash-in-hand: 50,000/-; Stock:6,25,000/-
 (Zenith CPU 20nos@15000each, LG Monitors 30nos@8000each, Logitech Mouses 200@300each,
 Frontech Keyboard 100@250each)
 Jul 1 – Purchased 50 Zenith CPU from Zenith&Co worth of Rs 9,00,000/-
 Jul 1 – Returned 19 Zenith Computer to Zenith&Co
 Jul 1 – Sold 14 Zenith CPU to Byte Computers Institute for Rs.2,80,000/-
 Jul 1 – Byte Computers returned 4 Zenith CPU
 Aug 1 – Purchased 80 Samsung Monitors from Sam&Co for Rs.4,80,000/-
 Aug 2 – Returned back 20 Samsung Monitors
 Aug 31 – Sold 50 Samsung Monitors to Pavan&Co for Rs.4,00,000/-
 Sep 1 – Purchased 100 Zenith Mouses from Sri Computer World for Rs.15,000/-
 Sep 2 – Sold 90 Logitech mouses to Yes Computers for Rs.27,000/-
 Oct 2 – Purchased 10 Zebronics Monitors from Sri Computer World@5,500/- Each
 Nov 1 – Purchased 100 Acer Keyboards from jain&Co , mumbai@280/-each
 Nov 2 – Sales 5 Zebronic Monitors @6500, 20 Zenith Mouses@300, 30Acer
 Keyboards @350 to joy ram spares , Kolkata, West Bengal
 Dec 31 – Sold 1 Zenith CPU Rs.22,000/-, 1 LG Monitor for Rs.6,500/- , Frontech
 Keyboard Rs.300, 1Logitech Mouse Rs.350. to Ramesh Visakhapatnam
 Cash received from Ramesh for above transaction .
 Mar 2 – Cash Sales 30 Zenith CPU @ 20,000/-each to Yes Computers through
 Cheque drawn on SBI , cheque deposited in AXIS Bank
 Mar 31 – Cheque No.450700 drawn on AXIS Bank for Rs. 5,00,000/- issued to Zenith&Co.
 Mar 31 – Cheque No.142536 drawn on AXIS Bank is received from Byte
 Computers Rs 2,75,000/-

Problem No.5

- 1). Suresh&Co started business Rs. 25,00,000/- (F6)
- 2). Purchase Machinery for cash Rs.2,00,000/- (F5)
- 3). Purchase 25 HCL Computers @Rs.25,000/- for Cash Godown -A, Stock Category – Core 2 dual (F9)
- 4). Purchase 20 LG Computers @ Rs.20,000/- for Cash Godown -B, Stock Category – Core 2 Dual (F9)
- 5). Purchase 25 HP Computers @ Rs.18,500/- for Cash Godown -C Stock Category – CoreI3 (F9)
- 6). Purchase 30 Sony Computers @Rs.19,500/- for Cash Godown-D Stock Category- CoreI3 (F9)
- 7). Transfer Computers from Godowns to Main Location as per below information
 - 22 HCL Computers from Godown -A
 - 18 LG Computers from Godown -B
 - 25 HP Computers from Godown -C
 - 28 Sony Computers from Godown -D (ALT+F7)
- 8). Sales 20 HCL Computer @Rs. 27,500/- to Cash (F8)
- 9). Sales 15 LG Computer @Rs.22,000/- to Cash (F8)
- 10). Sales 25 HP Computer @ Rs. 20,000/- to Cash (F8)
- 11). Sales 25 Sony Computer @Rs. 21,000/- to Cash (F8)
- 12). Rent Paid Rs. 5,000/- (F5)
- 13). Salaries Paid Rs. 3,500/- (F5)
- 14). Wages Paid Rs.2,500/- (F5)
- 15). Godown Rent Rs. 2,500/- (F5)

Ans: Gross Profit Rs. 1,52,500/- Net Profit Rs. 1,41,500/- Balance Sheet Rs. 26,41,500/-

Cost Categories

Cost categories are useful for Organisations that require allocation of revenue and non-revenue items to parallel sets of cost centres. Cost categories facilitate third-dimensional reporting of expenditure and revenue. For example, region-wise or geography-wise, Grade-wise, Department-wise, cost categories.

You can use cost categories you can allocate, in parallel, a transaction to more than one set of Cost Centres. For example, Cost Centres such as Marketing, Finance and Manufacturing can now belong to a category - Departments.

The Salesmen A, B, and C can be Cost Centres under a Category - Executives.

Similarly, you can create a new Cost Category **Projects** under which Cost Centres such as airport construction, road construction and buildings may be created. The classification appears as following:

Cost Categories	Departments	Executives	Projects
Cost Centres	Marketing	Salesman A	Airport Construction
	Manufacturing	Salesman B	Road Construction
	Finance	Salesman C	Buildings

You can specify a **Cost Category** to allow allocation of only revenue items or items of both revenue and capital (Non-Revenue) nature.

Enable Cost Category (Tally ERP 9)

Cost categories are useful for organisations that require allocation of revenue and non-revenue items to parallel sets of cost centres. Enable cost categories in F11 features to create and use cost categories.

1. From **Gateway of Tally** > Click **F11: Features** > **Accounting Features** .
2. Enable the option **Maintain Cost Centres?**
3. Enable the option **Maintain more than one payroll or cost category?**

The **Company Operations Alterations** screen appears as shown below:

Cost/Profit Centres Management	
Maintain payroll	? No
Maintain cost centres	? Yes
Use cost centre for job costing	? No
Maintain more than one payroll or cost category	? Yes
Use pre-defined cost centre allocations in transactions	? No
Show opening balance for revenue items in reports	? No

4. Press **Ctrl+A** to save the **Company Operations Alteration** screen.

Creating Cost Categories

On enabling cost categories, the option Cost Category is available in the Accounts Info. menu. By default all cost centres are grouped under Primary Cost Category. You can create cost categories and group cost centres under cost centres, as required.

To create a single Cost Category

1. Go to Gateway of Tally > Accounts Info. > Cost Categories > Create (under Single Cost Category).
2. Enter the Name.
3. Set the option **Allocate Revenue Items** to **Yes** to allocate all sales, purchase, expenses and income-related transactions to cost centres created under this cost category.
4. Set the option **Allocate No-Revenue Items** to **Yes** to allocate transactions related to capital account and other non-revenue accounts to cost centres created under this category.

The **Cost Category Creation** screen appears as shown below:

Cost Category Creation	
Name	: Bangalore
(alias)	:
Allocate Revenue Items	? Yes
Allocate Non-Revenue Items	? No

Cost Centres

A cost centre is any unit of an organisation to which transactions (generally, revenue) can be allocated. When only costs or expenses are allocated to these units, they are referred to as Cost Centres. When profits are also allocated to these units, they become Profit Centres. You can now obtain a Profit and Loss account of each such Profit Centre.

Transactions are allocated to cost centres. This enables accounting all transactions for that particular cost centre. You can view the cost centre break up of each transaction as well as the details of transactions for each Cost Centre.

Some examples of Cost Centres are:

- Departments of an organisation - Finance, Manufacturing, Marketing, and so on.
- Products of a company.
- Individuals such as Salesman A, Salesman B.

You can classify cost centres, just as you classify Group/Ledger accounts. You can have Primary Cost Centres and several levels of Cost Centres under each Primary Cost Centre.

Consider the following example.

- Primary Cost Centres - Finance, Manufacturing, Marketing.
- Under Marketing, classify the company's sales executives (Salesman A, Salesman B, Salesman C) as Cost Centres. This will help you track a sales executive's performance, in terms of cost and revenue generated.

Enable Cost Centres (Tally ERP 9)

A cost centre is any unit of an organisation to which transactions (generally, revenue) can be allocated. When only costs or expenses are allocated to these units, they are referred to as Cost Centres. When profits are also allocated to these units, they become Profit Centres.

1. From **Gateway of Tally** > Click **F11: Features** > **Accounting Features**.
2. Enable the option **Maintain Cost Centres?**
3. Enable the option **Maintain more than one payroll or cost category?** to maintain cost categories.
4. Press **Ctrl+A** to save the **Company Operations Alteration** screen.

Creating a Single Cost Centre

In order to create a Cost Centre, enable Maintain cost centres in F11: Accounting Features. For parallel allocation of Cost, you can enable **Maintain more than one payroll or cost category**. By default, Tally.ERP 9 activates the Cost Centre feature for Ledger accounts under Sales Accounts, Purchase Accounts, Expense and Income groups. [Multiple cost centres](#) can be created in one go in multiple mode.

To create a single cost centre

1. Go to Gateway of Tally > Accounts Info. > Cost Centres > Create (Single Cost Centre).
2. Press Backspace to change the default Category, if required.

Note: The field Category is available only if the option [Maintain more than one payroll or cost category?](#) is set to **Yes** in **F11 (Features)**

3. Enter the Name.
4. Select the parent cost centre **Under** which the cost centre has to be grouped.
5. Press **Enter** to save the Cost Centre.

Problem No.1

- 1.Ravi & Co Started business with Rs. 85,00,000/- (F6)
- 2.Cash Deposited at Axis Bank Rs. 15,00,000/- (F4)
- 3.Purchase Office equipment by cheque Rs.2,00,000/- Ch.No.565634 (F5)
- 4.Purchase furniture for cash Rs. 60,000/- (F5)
- 5.Purchases 25HP Laptops @Rs.28,000/- for Cash (F9)
- 6.Purchases 20 Lenovo Laptops @Rs.34,500/- (F9)
- 7.Purchases 15Dell Laptops @Rs.40,000/- from Kran (F9)
- 8.Sales 23 HP Laptops @Rs.33,000 /- for Cash (F8)
- 9.Sales 15 Dell [Laptops@Rs.33,000/-](#) for Cash (F8)
- 10.Sales 17 Lenovo Laptops @Rs.38,000/- by Ch.no.984567 (F8)
- 11.Current bill paid by cheque Rs.25,000/- Ch.no. 565644 (F5)
- 12.Petty expenses Rs. 40,000/- (F5)
- 13.Commission Received by cheque Rs.15,000/- Ch.no.984561 (F6)
- 14.Salaries paid to the employees by cheque Rs. 1,75,000/- Under sales department Rs.1,00,000 Ch.no.565645, Marketing department Rs. 75,000/- Ch.no.565646

Department – Sales		Department – Marketing	
Emp Name	Salaries	Emp Name	Salaries
Rama	17,000	Sudha	15,000
Krishna	18,000	Rushi	12,000
Devi	22,000	Veera	14,000
Srinu	18,000	Rajesh	15,000
Srikanth	25,000	Vamsi	19,000
Total	1,00,000	Total	75,000

Ans: GP Rs. 3,99,500/- NP Rs. 1,74,500, B/S Rs.92,74,500, Closing stock Rs.1,59,500

Bill Wise Details

There are four references in Bill Wise Details. They are

a). On Account: You can select “on Account “ for only cash & cheque transactions. Cash or cheque received for the current transactions. Cash or Cheque paid for the current transactions.

For example: Purchase goods for cash Rs. 20,000/- (Cash Transaction)

Sold 20 Dell Laptops by cheque @30,000/- Ch.no:123456 (Cheque transaction)

b). New Reference: You can select “New Reference’ for only Credit transaction. Credit Purchases & Sales, Loan taking from the creditors and loan giving to the debtors.

For example: Purchase goods from Ramu Rs. 20,000/- (Credit transaction)

Sold 20 Dell laptops to Ravi @30,000/- Ch.no.4578123 (Credit transaction)

c). Against Reference: You can select “Against Reference” for only Settlement of old bills (old Invoice & Voucher bills) Cash or Cheque paid to creditors, cash or cheque received from debtors for credit transactions.

For example: Cash paid to Ravi Rs. 30,000/-(Settlement of old credit transaction)

Cheque received from kumar Rs. 2,00,000/- Ch.no.4578961 (Settlement of old credit transaction)

d). Advance Reference: You can select “Advance reference” for only advanced Transactions. Cash or cheque paid to creditors in advance, cash or cheque received from debtors in advance.

For example: Cash paid to ravi Rs. 5,000/- in advance (Advance transaction)

Batch Wise Details

Batch wise details means apply the “Batch Number, Manufacturing date & Expiry dates” to the selected “Stock Items”.

Company: Knr It Academy	
Show more features	: Yes
Show all features	: Yes
Accounting	
Maintain Accounts	: Yes
Enable Bill-wise entry	: Yes
Enable Cost Centres	: Yes
Enable Interest Calculation	: No
Inventory	
Maintain Inventory	: Yes
Integrate Accounts with Inventory	: Yes
Enable multiple Price Levels	: No
Enable Batches	: Yes
Maintain Expiry Date for Batches	: Yes
Enable Job Order Processing	: No
Enable Cost Tracking	: No
Enable Job Costing	: No
Use Discount column in invoices	: No
Use separate Actual and Billed Quantity columns in invoices	: No

Example: Purchase 5 Water bottles for cash @ Rs.25/-, Batch Number : MK1234, Manufacturing date: 01-04-2024 & Expiry Date: 01-05-2024.

Discounts

Discount: A saving on the amount of an invoice if payment is made by the customer on or before a specified discount date.

Discounts are kindly two types. They are

a). Cash Discount

- Discount Allowed: A separate contra revenue account that is debited by the vendor whenever a customer takes a discount when paying off a previous purchase on account.

- Discount Received: A separate contra expense account that is credited by the purchaser whenever it takes a discount when paying off a previous purchase on account.

b). Trade discount: The trade discounts are the customer want purchases the stock then the vendors give some percentage of on the purchased stock. That percentage is called as trade discount. These are known as the discounts on inventories.

Problem No:1 Cash Discounts

- 1). Ramu started business with Rs. 25,00,000/- (F6)
- 2). Cash deposited at SBI Bank Rs. 15,00,000/- (F4)
- 3). Purchase Furniture Rs.30,000/- (F5)
- 4). Purchase 10 Computers @Rs.25,000/- (F9)
- 5). Purchase 10 Monitors by cheque @Rs.15,000/- Ch.no.124578 (F9)
- 6). Purchase 10 air coolers from Ramu @Rs.10,000/- (F9)
- 7). Sales 9 Computers @Rs.35,000/- (F8)
- 8). Sales 10 Monitors by cheque @Rs.25,000/- Ch.no.457810 (F8)
- 9). Sales 7 air coolers to Ramu @ Rs.19,000/- (F8)
- 10). Discount allowed Rs. 15,000/- (F5)
- 11). Discount Received Rs. 20,000/- (F6).

Ans: Gross Profit Rs. 2,53,000/- Net Profit Rs. 2,58,000/-, Balance Sheet Rs. 28,58,000/-
Closing stock Rs.55,000/- Debtors Rs. 1,33,000/- Cash in hand Rs. 10,40,000/-

Problem No.2 Trade Discounts

- 1). Kumar started business with Rs. 2,00,000/- (F6)
- 2). Purchase Furniture Rs. 45,000/- (F5)
- 3). Purchase 10HCL Computers @Rs. 25,000/- Discount 10% (F9).
- 4). Purchase 10 liters sun flower cooking oil from Sudha @Rs.150/- discount 5% (F9)
- 5). Purchase 10 Kgs of Sona rice from ravi @ Rs.75/- discount 15% (F9)
- 6). Purchase 10 Meters Raymond cloth @Rs.150/- discount 20% (F9)
- 7). Sales 8 HCL computers@ Rs.40,000/- discount 10% (F8)
- 8). Sales 10 meters Raymond cloth @Rs.400/- discount 15% (F8)
- 9). Sales 7 liters Sun Flower cooking oil to devi @ Rs. 300/- discount 20% (F8)
- 10). Sales 9 kgs of Sona rice to Kavya @Rs.150/- discount 5% (F8)

Ans: Gross Profit Rs. 1,11,591.25, Net Profit Rs. 1,11,591.25, Balance sheet Rs.3,13,653.75/-
Closing stock Rs. 45,491.25/- Debtors Rs. 2,962.50/- Creditors Rs. 2062.50/-

Problem No. 3 Multi Price Level

- 1). Ravi started with business Rs. 50,00,000/- (F6)
- 2). Purchase 10LGTV's for cash @Rs. 6,500/- (F9)
- 3). Purchase 10 Sony TV's for cash @ Rs.6,000/- (F9)
- 4). Sales 8 LG TV's for cash (Dealer) (F8)
- 5). Sales 4 Sony TV's for cash (Retailer) (F8)
- 6). Sales 2 LG TV's for cash (Customer) (F8)
- 7). Sales 4 Sony TV's for cash (Dealer) (F8)

Price List Details

Sales LG TV's

Dealer less than 5 no's Rs.7,500/-, more than 5 no's Rs.7,400/-

Customer less than 5 no's Rs. 7,600/- more than 5 no's Rs.7,500/-

Retailer less than 5 no's Rs. 7,400/- more than 5 no's Rs.7,300/-

Sales Sony TV's

Dealer less than 5 no's Rs. 7,000/- more than 5 no's Rs.6,800/-

Customer less than 5 no's Rs.7,500/- more than 5 no's Rs.7,400/-

Retailer less than 5 no's Rs.7,400/- more than 5 no's Rs.7,200/-

Ans: Gross Profit Rs. 19,000/- Net Profit Rs.19,000/- Balance sheet Rs. 50,19,000/- Closing stock Rs. 12,000/-

Multi Currency in Tally.ERP 9

Many Organizations have transactions in more than one currency. Such transactions have to be recorded either in the base (home) currency or in the foreign currency. If the transactions are recorded in home currency, the rate at which the foreign currency is exchanged should be recorded as well. At times you need to record the transaction in the foreign currency itself when you maintain the balance of the concerned account in foreign currency.

Select Base Currency while creating a Company

Tally.ERP 9 uses the term base currency for the currency in which your account books are kept. Foreign Exchange is used interchangeably with foreign currency. Tally.ERP 9 makes it easy to manage multiple currencies, automatic calculations of exchange rates, automatic conversion of any currency used to record a transaction to the currency of the account, etc.

Enable Multi-currency

At times you need to record the transaction in the foreign currency itself when you maintain the balance of the concerned account in foreign currency. You can create multiple currencies as per your business needs. Enable the Multi-Currency feature to view and enter transactions in multiple currencies.

1. Go to **Gateway of Tally** .
2. Click **F11:Features > F1: Accounting Features**.
3. Set the option **Enable multi-currency** to **Yes**
4. Press **Ctrl+A** to save.

Create a Currency

You can create a currency and use it as your base or foreign currency. You can set preferences like currency symbol and decimal places accordingly when creating or altering a currency.

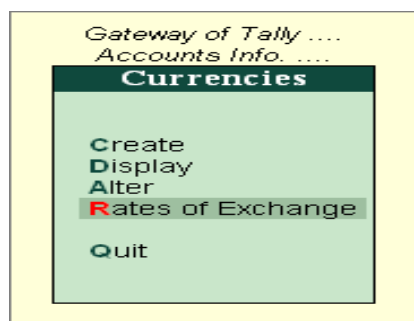
1. Go to **Gateway of Tally > Accounts Info. > Currencies > Create** .

Currency Creation		ABC Cor
Symbol	:	\$
Formal name	:	Dollar
Number of decimal places	:	2
Show amount in millions	?	No
Suffix symbol to amount	?	No
Add space between amount and symbol	?	No
Word representing amount after decimal	:	
No. of decimal places for amount in words	:	2

Define Rates of Exchange for Currency

Foreign exchange variations occur every day with different selling and buying rates. You can record the rate of currency applicable for a particular date and use it in transactions. The standard rate, selling rate, and buying rate can be updated from the **Multi-Currency Alteration** screen. Tally.ERP 9 automatically calculates Forex Gain or Loss for foreign exchange transactions using the rates specified in the **Multi-Currency Alteration** screen.

1. Go to **Gateway of Tally > Accounts Info > Currencies > Rates of Exchange** .



Reconciliation of Bank Statements in TallyPrime

A Bank Reconciliation is a process to match all the transactions and bank balances of an organisation with the accounting records of the organisation for a particular period. You can perform the reconciliation manually as well as automatically. You can set the date from when you want to perform the reconciliation. The unreconciled transactions of the current year appear in the Opening BRS of the next year, you can remove the Opening BRS if not required. You can also compare the bank book with the cash book or two or more banks.

The Bank Reconciliation is one of the prerequisites of auditing and verification of the correctness of accounts at the year-end. The purpose of reconciling bank statements is to avoid any missing transactions or any mismatch in the bank book and in the cash book of your company. The reason for the mismatch can be cases where a cheque was issued but not presented, a cheque collected but not deposited or even in cases of the cheque was dishonoured.

TallyPrime provides you with the flexibility to perform reconciliation automatically. You need to configure your bank ledger for auto reconciliation and then import the bank statements in the format of Excel, MT940 or .CSV files. Once imported the reconciliation is done automatically. It is of utmost importance to record the transactions with the Instrument number and date, which is required while performing auto-reconciliation. This avoids the possibility of mapping the wrong entry while performing the reconciliation. If the auto-reconciliation option is enabled for your bank ledger, you can still perform manual reconciliation if needed. In manual reconciliation, you need to manually enter the bank date against each transaction.

You can reconcile or delete the unreconciled transactions one by one or in one go. The transactions that are not recorded in the company books but were executed by the bank can be recorded by creating vouchers directly from the Bank Reconciliation Statement.

If you want to split your current company to create a new company then all the unreconciled transactions automatically get updated in the Opening BRS. After creating a new company if you don't need the unreconciled transaction details then you can remove the Opening BRS.

Reconcile Bank Transactions Automatically

If you want to reconcile your bank transactions automatically without spending much time then you can enable the option of auto-reconciliation in your bank ledger. Auto-reconciliation minimizes the time spent on reconciling bank ledgers and the risk of making errors.

To reconcile the bank ledgers automatically,

- You need to download the bank statements and import the same in TallyPrime.
- After import, bank dates will automatically be filled in the Bank Dates field in the Bank Reconciliation Statement.

- At the time of reconciliation, TallyPrime matches the instrument number and instrument date between the bank statements and the transactions recorded in the system.

In case of any entries that are recorded in the books but not cleared in the bank, those are not reconciled and can be reconciled again by importing the statements once it is cleared in the bank. Additionally, entries such as bank charges or interest received which are executed at the bank's end but not yet reflected in the books of accounts appear under the Amount Not Reflected in Company Books in the reconciliation statement. For those entries, you can record the transactions directly from the reconciliation screen and complete the reconciliation. You can access bank reconciliation to print the reconciliation statements, according to your requirements.

The statements can be imported in the format of Excel, MT940 or .CSV files.

In this section

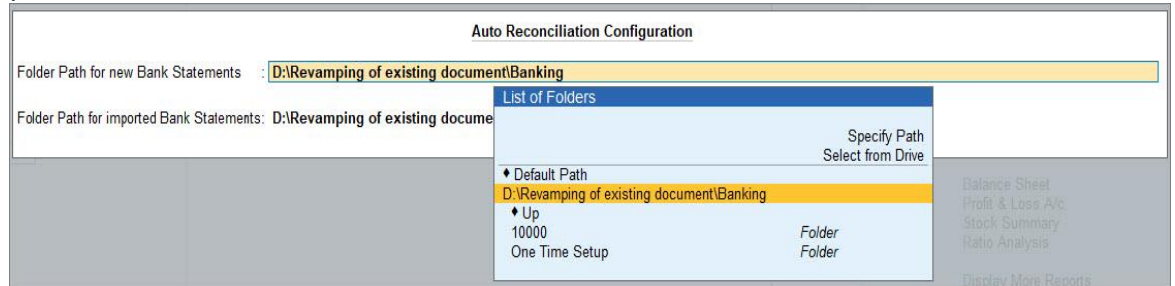
- [Configure bank ledger to perform auto reconciliation](#)
- [Set the effective date for auto reconciliation](#)
- [View and configure bank reconciliation](#)
- [Import bank statements to perform auto reconciliation](#)
- [Reconcile or delete unlinked transactions from bank reconciliation](#)
- [Create new vouchers to reconcile the unreconciled transactions](#)
- [Print Bank Reconciliation Statement](#)
- [Re-import the Bank Statement](#)

[Configure bank ledger to perform auto reconciliation](#)

If you want to auto-reconcile your bank statement with the transactions, you can configure your bank ledger accordingly and set the path for new and imported bank statements. You can configure your bank ledger for auto-reconciliation only for selected banks.

1. Open the bank ledger.
 - a. Press **Alt+G** (Go To) > **Alter Master** > type or select **Ledger** > and press **Enter**. Alternatively, **Gateway of Tally** > **Alter** > type or select **Ledger** > and press **Enter**.
 - b. Select the bank ledger. For example, Kotak Mahindra Bank.
2. Enable auto-reconciliation in the bank ledger.
 - a. In the **Ledger Creation/Alteration** screen for bank ledger, press **F12** (Configure).
 - b. Enable **Set Bank Reconciliation and e-Payments**.
 - c. Press **Ctrl+A** to accept the screen.
3. Configure auto-reconciliation.

- a. In the bank ledger, under **Bank Configuration**, set **Enable Auto Reconciliation** as **Yes**.
The option **Set/Alter Auto Reconciliation configuration** appears.
- b. Enable **Set/Alter Auto Reconciliation configuration** to set the path for new and imported bank statements.
The Data Path can be any folder in your local computer, depending on your preference.



4. As always, press **Ctrl+A** to accept the screen.

After the bank ledger is configured with auto-reconciliation, you can automatically reconcile your bank transactions.

[Set the effective date for auto reconciliation](#)

TallyPrime provides you with the flexibility to set an effective date for your bank reconciliation. The effective date is generally the Books beginning from date which means that the auto-reconciliation can start from the Books beginning from date. However, you can also change the date as per your requirements.

1. Open the bank ledger.
 - a. Press **Alt+G** (Go To) > **Alter Master** > type or select **Ledger** > and press **Enter**.
Alternatively, **Gateway of Tally > Alter** > type or select **Ledger** > and press **Enter**.
 - b. Select the bank ledger. For example, Kotak Mahindra Bank.
2. Enable effective date for reconciliation.
 - a. In the **Ledger Creation/Alteration** screen for the bank ledger, press **F12** (Configure).
 - b. Enable **Provide Effective Date of Bank Reconciliation for Bank Ledgers**.
 - c. Press **Ctrl+A** to accept the screen.
3. Modify the effective date for reconciliation.
 - a. In the bank ledger, **Effective Date for Reconciliation** is prefilled with **Books beginning from** date. You can modify the date as per your need.
Based on the effective date set for bank reconciliation, the transactions can be reconciled with the bank statements.
 - b. As always, press **Ctrl+A** to accept the screen.

Once you set the effective date, you can perform auto-reconciliation from that date.

[View and configure bank reconciliation](#)

After you import the bank statement, the entries are auto-reconciled. You can see the Bank Date column updated with the bank dates when the transactions are cleared in the bank. You can also view the reconciliation screen by including the reconciled transactions or view either debit or credit entries. From the reconciliation screen of one bank, you can go to another bank reconciliation screen. Additionally, you can configure the screen and add other details as per your requirements.

1. Press **Alt+G** (Go To) > type or select **Bank Reconciliation** > and press **Enter**. Alternatively, **Gateway of Tally > Banking > Bank Reconciliation** > and press **Enter**.
2. Select the required bank ledger from the **List of Bank Ledgers**, as shown below. The **Bank Reconciliation** screen appears.

You can customise the Bank Reconciliation Statement to view it as per your requirements.

- **F4** (Bank): You can switch to another bank to view the Bank Reconciliation Statement of that bank.
- **Ctrl+B** (Basis of Values): You can configure the Bank Reconciliation Statement with the details as per your business needs.
 - **Type of Voucher Entries**: You can view all the vouchers together or select only debit or credit entries.
 - **Include Reconciled Transactions**: Once the transactions are reconciled, it is removed from the reconciliation list. You can enable this option to include reconciled transactions.
 - **Include all Unreconciled transactions till date**: Displays the list of unreconciled transactions till the date when you are performing bank reconciliation.
 - **Include Unlinked transactions**: Displays the list of unlinked transactions.
- **Ctrl+J** (Exception Reports): You can view the Optional and Post-Dated Vouchers from this option.
- **Alt+H** (Opening BRS): From this option, you can view the Opening BRS for all the unreconciled transactions after you split the company.
- **Alt+S** (Set Bank Date): To set a bank date for all the transactions for reconciliation, press **Alt+S**. The Set Bank Date sub-screen appears as shown below:



Set Bank Date		26-JUL-20
Bank Date Type :	<input type="text"/>	<div>Bank Date Type<ul style="list-style-type: none">Instrument DateNew DateVoucher Date</div>

- **Instrument Date**: On selecting Instrument Date as the Bank Date Type, the Bank Date field for all the transactions in the Bank Reconciliation screen is filled with the instrument date entered for that transaction in the **Bank Allocations** screen.
- **New Date**: On selecting New Date as the Bank Date Type, a new field Date appears in the Set Bank Date sub-screen.

Specify the required bank date that is to be filled for all the transactions in the Bank Reconciliation screen.

Set Bank Date	
Bank Date Type	: New Date
Date	: 29-4-2023

- **Voucher Date:** On selecting Voucher Date as the Bank Date Type, the Bank Date field for all the transactions in the Bank Reconciliation screen is filled with the Date of Voucher.

Apart from the above-mentioned options, you can further configure your report from **F12** (Configure).

- **Show Narrations:** Set this option to **Yes** to display the narration in the Bank Reconciliation Statement.
- **Show Favouring Name/Received From:** Set this option to **Yes** to display the Payment Favouring/Received From details in the Bank Reconciliation Statement. The Favouring Name column displays only those names that are different from the Party/Ledger account names.
- **Show Remarks:** Set this option to **Yes** to display the remarks in the Bank Reconciliation Statement.
- **Show Forex details:** Set this option to **Yes** to display the Forex details in the Bank Reconciliation Statement. The options Show Forex details appear only in case the multiple currencies feature is enabled for the company.
- **Show Difference in Bank Balance:** Set this option to **Yes** to display the difference of balance as per bank balance and balance as per imported bank statement.
- **Allow Back-dated Reconciliation:** Set this option to **Yes** to allow reconciling back-dated transactions also.

[Import bank statements to perform auto reconciliation](#)

In the Bank Reconciliation Statement of TallyPrime, you do not need to update the Bank Date manually as you can import the bank statement to reconcile the transactions. You need to import bank statements of a specific bank to reconcile the payment transactions involving that bank in TallyPrime. The bank statements get imported in a format such that TallyPrime can derive date from the same. The format can be .xml, delimited or others, as applicable to the bank. Auto Reconciliations are done when the transaction details along with the amount and date as per the accounting records of the organisation match with the imported bank statement. If the transaction value and date match but the payment details such as the cheque number do not match then those transactions are not auto-reconciled. Hence, it is important to record the Instrument Number and Instrument Date while recording the transaction.

Furthermore, if the Instrument Number and Date are missing in a transaction, then importing bank statements will help you to link the unlinked transactions in TallyPrime. You can even

create a voucher on the go if the transaction against a specific entry in the bank statement is missing.

1. Open Bank Reconciliation Statement.

- Press **Alt+G** (Go To) > type or select **Bank Reconciliation** > and press **Enter**. Alternatively, **Gateway of Tally > Banking > Bank Reconciliation** > and press **Enter**.
- Select the required bank ledger from the **List of Bank Ledgers**, as shown below:
The **Bank Reconciliation** screen appears.

List of Bank Ledgers	
Ledger Name	Account No.
Kotak Mahindra Bank	2912515894
Kotak Mahindra Bank - 09580070000056	09580070000056
Kotak - Notional Bank A/c	
SBI	1288907654321
Standard Chartered Bank	12345678

2. Import bank statements.

- In the **Bank Reconciliation** statement, click **Alt+O** (Import) > **Bank Statement** to import the bank statements.
- Select the **File Name** (bank statement downloaded from the bank) in the **Import Bank Statement** screen, as shown below:

List of Files					
File Name	System Date	Size	Type	Is Imported ?	
09580070000056.csv	13-Jun-23	3.99 KB	csv	No	
Kotak Bank statement.xlsx	13-Jun-23	13.40 KB	xlsx	No	

- Press **Enter**. A confirmation message with the **Total Entries in Bank Statement**, the number of **Reconciled** transactions, and **Additional Bank Entries** appear, as shown below:

Success !!

Total Entries in Bank Statement: 37

Reconciled: 22

Additional Bank Entries: 15

Press any key to continue

On importing the bank statement, the **Bank Date** appears for the reconciled transactions. The additional entries present in the bank statement appear under **Amounts not Reflected in Company Books**.

[Reconcile or delete unlinked transactions from bank reconciliation](#)

Once the auto-reconciliation is done, there might be certain transactions which remain unreconciled or unlinked. This can happen when the transaction details do not match with the bank statement or any transactions recorded in the books but not yet cleared in the bank. You can reconcile those unlinked transactions individually or together in one go. If there are duplicate unlinked transactions, you can delete those individually or together in one go.

You can reconcile unlinked transactions one by one.

1. In the Bank Reconciliation Statement, select the transaction to be reconciled displayed under **Amount Not Reflected in Company Books**.
2. Press **Alt+Q** (Reconcile Unlinked).
The transactions from the company books matching the unlinked transaction amount are displayed for selection in the Unreconciled Transactions screen.
3. Select the appropriate transaction using the spacebar and press **Enter**.
The status **Reconciled Successfully** is displayed.

You can also reconcile unlinked transactions in one go.

1. In the Bank Reconciliation Statement, press **Alt+R** (Reconcile All Unlinked) in order to perform the reconciliation without changing the transaction details in the books. The Unreconciled Transactions screen displays the matching transactions. The amount not reconciled in the bank statement is displayed under Transaction from Bank Statements to be Reconciled.
2. Press **Enter** to link the selected transaction and to reconcile. After the reconciliation, the status **Reconciled Successfully** is displayed. The reconciled lines will get saved as soon as the bank date is updated against the transaction.
3. Press **Esc** to skip the current transaction and proceed to the next for reconciliation.
4. Press **Alt+S** (Stop) to stop the reconciliation process if you want to perform the reconciliation properly by changing the transaction details and re-importing the bank statement to complete the auto-reconciliation.

Apart from reconciling you can also delete the unlinked transactions one by one or in one go in the Bank Reconciliation Statement. If there are transactions recorded in the books for which the payment was cancelled but the transactions were not deleted or if there are transactions recorded twice then you can delete such transactions in the bank reconciliation.

- Press **Alt+V** (Delete Unlinked) to delete the unlinked transaction one by one.
- Press **Alt+W** (Delete All Unlinked) to delete all the unlinked transactions in one go.

Create new vouchers to reconcile the unreconciled transactions

There are transactions that are executed from the bank side such as bank charges, bank interest or any cheque that is deposited directly into the bank. In such cases, the entries are not recorded in the books and at the time of reconciliation those entries show the difference between bank statements and company books. You can directly create vouchers from the bank reconciliation statement and record those missing transactions.

1. In the **Bank Reconciliation** screen, select the transaction to be reconciled displayed under **Amount Not Reflected in Company Books**.
2. Press **Alt+J** (Create Voucher). The Payment Voucher screen appears by default. You can switch to other vouchers as per your requirement. Creating a voucher may impact the voucher numbering of your transactions. To know more, refer to [Voucher Numbering](#).
3. Enter and accept the transaction according to the transaction displayed in the **Amount Not Reflected in Company Books** section.

The details displayed under the **Amount Not Reflected in Company Books** section are removed indicating that the corresponding entry is found in the books of accounts.

Print Bank Reconciliation Statement

In your business, if there is a practice to maintain the print copy of the reconciliation statement along with the bank statement after the reconciliation is done then you can print the Bank Reconciliation Statement screen for the required bank. Such documents can be a part of auditing where the auditors can match the bank balance as per the bank statement and the printed bank reconciliation statement for a particular period.

1. Open Bank Reconciliation.
 - a. Press **Alt+G** (Go To) > type or select **Bank Reconciliation** > and press **Enter**. Alternatively, **Gateway of Tally > Banking > Bank Reconciliation** > and press **Enter**.
 - b. Select the required Bank account from **List of Bank Ledgers**. The **Bank Reconciliation** screen appears.
2. Print the Bank Reconciliation Statement.
 - a. Press **Ctrl+P**.
The **Print** **Report** screen appears.

Print	
Show Narrations	: Yes
Show Favouring Name/Received From	: Yes
Type of Voucher entries	: All Vouchers
Include all Unreconciled transactions till date	: Yes
Include Unlinked transactions	: Yes
Printer	: Microsoft Print to PDF
Paper Size	: A4 (8.27" x 11.69") or (210 mm x 297 mm)
Print area	: (8.27" x 11.69") or (210 mm x 297 mm)
Number of Copies	: 1

C: Configure
I: Preview
P: Print

b. Press **C** (Configure) to set the following options:

- **Show Narrations:** Set this option to **Yes** to display the narration in the Bank Reconciliation Statement.
- **Show Favouring Name/Received From:** Set this option to **Yes** to display the Payment Favouring/Received From details in the Bank Reconciliation Statement.
- **Show Remarks:** Set this option to **Yes** to display the remarks in the Bank Reconciliation Statement.
- **Show Forex details:** Set this option to **Yes** to display the Forex details in the Bank Reconciliation Statement.
- **Type of Voucher entries:** By default, this is selected as All Vouchers, select the required option from the Ledger Entries list.
- **Include Reconciled transactions:** Set this option to **Yes** to display the reconciled transactions also in the Bank Reconciliation Statement.
- **Show all Unreconciled transactions till date:** Set this option to **Yes** to display all the Unreconciled Transactions till the given date, irrespective of the From date set in the Bank Reconciliation Statement.
- **Allow Back-dated Reconciliation:** Set this option to **Yes** to allow reconciling back-dated transactions also.

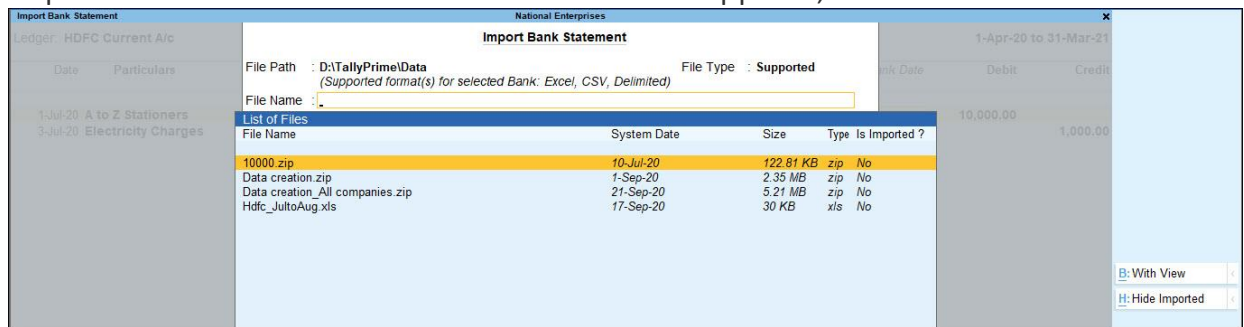
3. Press **Esc** to return to the print screen, and press **P** (Print) to Print or **I** (Preview) to view the print preview.

[Re-import the Bank Statement](#)

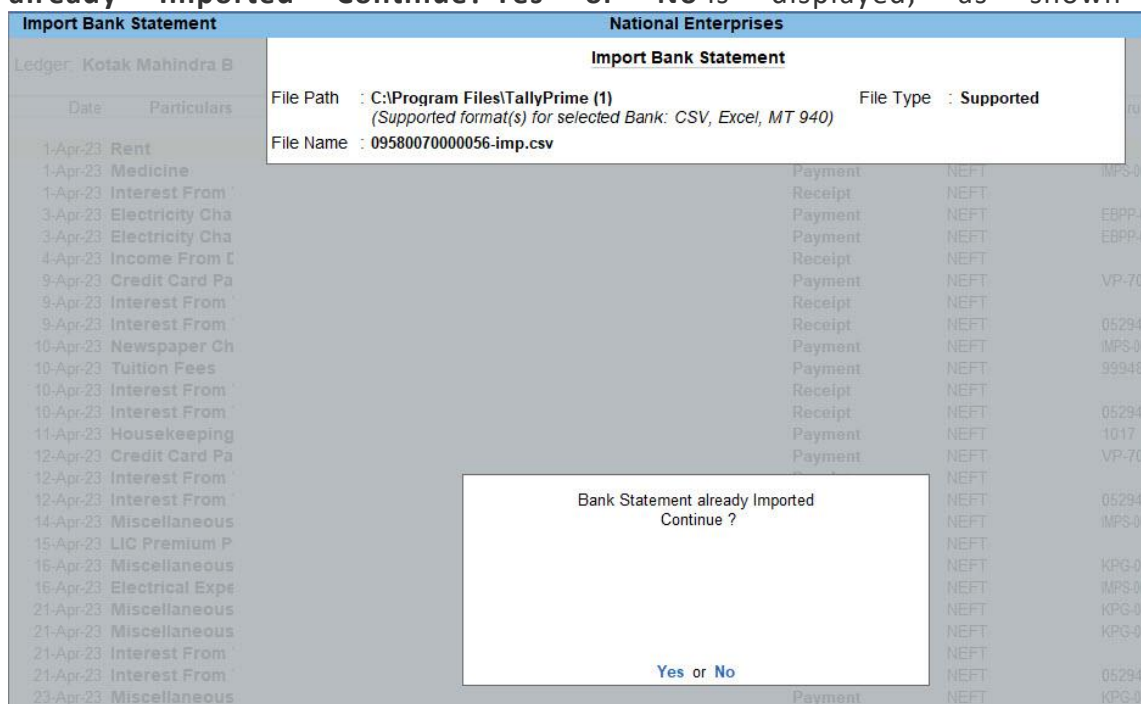
While performing the auto-reconciliation after importing the bank statement, there can be a few transactions that remain unreconciled due to differences in transaction details or transactions such as bank charges, bank interest or even any cheque that was cleared by the bank but not yet recorded in the books. In such cases, once the transaction details are corrected or new entries are recorded you can re-import the bank statement and perform the reconciliation for the unreconciled transactions.

While selecting the bank statement for importing, all the statement including the ones which is already imported is displayed. You can hide the already imported statement.

1. Press **Alt+I** (Import) > Bank Statement from the Bank Reconciliation Statement. The Import Bank Statement screen appears, as shown below:



2. While re-importing the bank statement, if you want to view only the current downloaded statement then press **Alt+H** (Hide Imported) to hide the previously imported statement. The **Alt+H** is a toggle button which can also be used to **Show Imported** statements. If an attempt is made to re-import the bank statement, a message **Bank Statement already Imported Continue? Yes or No** is displayed, as shown below:



3. Press **Yes** to re-import the bank statement.

To know more about the list of banks supporting Auto-Reconciliation, click [here](#).

[Reconcile Bank Transactions Manually](#)

You can perform bank reconciliation manually if your organisation follows the practice of doing manual reconciliation. Bank reconciliation can also be done manually if you cannot download your bank statement in the format required to perform auto-reconciliation. In manual reconciliation, you need to manually update the bank clearing date against each transaction. If the number of transactions is high, you can filter the report to display transactions based on Amount, Bank Date, Instrument No., Instrument Date, Party ledger and so on to reduce the number of transactions on the screen to perform manual reconciliation.

Once the reconciliation is done, if you want to alter the voucher then you can directly do so from the Bank Reconciliation Statement.

In this section

- [Alter reconciled voucher](#)
- [Filter the report to view transactions based on the range of information](#)

Alter reconciled voucher

After performing the reconciliation of your bank transactions, you may need to alter the reconciled vouchers to change or split the amount of the voucher. In such a case, TallyPrime displays the message asking for confirmation to continue with the alteration. You can later reconcile the voucher from the Day Book, Bank Reconciliation, or voucher reports. For example, you need to alter a voucher dated 1.5.2023 (already reconciled) where you have issued a cheque for Rs. 1,00,000 to National Traders and while recording the transaction you have mentioned it as Rs.10,000 by mistake. Hence you need to alter the voucher to correct the amount. On saving this voucher TallyPrime displays the message indicating **Altering Reconciled Voucher will remove the Bank Date as it may not match the Bank Balance in BRS.**

1. Open the Bank Reconciliation Statement.
 - a. Press **Alt+G** (Go To) > type or select **Bank Reconciliation** > and press **Enter**. Alternatively, **Gateway of Tally > Banking > Bank Reconciliation** > and press **Enter**.
 - b. Select the required Bank account from the **List of Bank Ledgers**. The **Bank Reconciliation** screen appears.
2. Open the reconciled transactions.
 - a. Press **Ctrl+B** (Basis of Values).
 - b. Enable **Include Reconciled transactions**.
3. Alter the reconciled voucher.
 - a. Click on the voucher you need to alter.
 - b. From the **Bank Date** field, press **Ctrl+Enter** to open the **Accounting Voucher Alteration** screen.
 - c. Ensure to enable the option **Remove Bank Date while altering Reconciled Voucher** from **F12** (Configure).
 - d. Alter the amount as required. In this example, update the amount to Rs.1,00,000.
 - e. Press **Ctrl+A** to save the voucher.
The message **Altering Reconciled Voucher will remove the Bank Date as it may**

not match the Bank Balance in BRS. Continue? Yes or No appears.

The screenshot shows the 'Accounting Voucher Alteration' window for 'National Enterprises'. It displays a voucher for 'Kotak Mahindra Bank' with a current balance of 25,15,000.00 INR. A warning message is displayed in the center: 'Altering Reconciled Voucher will remove the Bank Date as it may not match the Bank Balance in BRS. Continue? Yes or No'. The bottom right corner shows the total amount of 1,00,000.00.

4. Press **Yes** to save the voucher.

In the Bank Reconciliation screen, the Bank Date will not appear for that voucher.

Filter the report to view transactions based on the range of information

If the number of transactions is high then you can filter the report based on the range of information such as Amount, Bank Date, Instrument No., Instrument Date, Party ledger and so on. This will reduce the number of transactions on the screen and it will be easier to reconcile the transactions manually.

1. In the Bank Reconciliation Statement, press **Alt+F12** (Range). The **Filtration Report** screen appears.
2. Enter the details to filter the report based on Amount, Instrument No., Instrument Date and so on. The Bank Reconciliation Statement displays the list of transactions matching the range of information given to filter the report.

The screenshot shows the 'Range of Information in Report' dialog box. It contains a filter condition: 'Transactions having Instrument Date equal to 12-Apr-23'. A dropdown menu is open, showing a list of fields to filter by: Amount, Bank Date, Date, Favouring Name, Instrument Date (highlighted), Instrument No., Ledgers, Narration, Remarks, and Transaction Type.

3. Enter the Bank Date manually to reconcile the transactions.

Based on the range of information once you filter the BRS, you can easily reconcile the transactions.

Record the Reconciliation of any Date

Bank accounts may have a different Starting Date for reconciliation purposes. When you create a bank ledger, you can give an Effective Date for Reconciliation. Normally, this would be the Books beginning from date itself but you can change the date and set it from

when you want to start the reconciliation. Once this is done, entries made earlier than the reconciliation date will not appear for reconciliation but will appear as Opening BRS in the Bank Reconciliation screen.

It is not a real-time task, hence it is not done on the first day of the next year. For example, if the bank reconciliation date is set from 1st April 2023, and you have not done the reconciliation till 31st May 2023, you can select the month from which you need to perform the reconciliation.

You can view the bank ledger from any report such as **Balance Sheet**, **Trial Balance** or **Cash/Bank Book(s)**.

1. Press **Alt+G** (Go To) > type or select **Balance Sheet** > and press **Enter**. Alternatively, **Gateway of Tally > Balance Sheet** > and press **Enter**.
2. Bring your cursor to **Current Assets** and press **Enter**.
3. Select the required bank ledger and press **Enter**.
4. Bring the cursor to the first month (typically April), and press **Enter**. This brings up the vouchers for the month of April.
5. Press **Alt+R** (Reconcile) to view the **Bank Reconciliation Statement**. The display goes to the Reconciliation mode, which can be edited. You can see the column for Bank Date to enter the date when the transactions are cleared in the bank.

Bank Reconciliation		National Enterprises							
Ledger: Kotak Mahindra Bank		(Reconciliation)							
Date	Particulars	Favouring Name / Received From	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit
1-Apr-23	Cash	Self	Contra	Cheque	100000	1-Apr-23		10,000.00	
1-Apr-23	Owner Capital A/c	Anil Mehta	Journal	Cheque/DD	100001	1-Apr-23			50,00,000.00
1-Apr-23	National Traders		Payment	Cheque	100002	1-Apr-23		25,000.00	
4-Apr-23	Standard Chartered Bank	National Enterprises	Contra	Cheque	100004	4-Apr-23		5,00,000.00	
5-Apr-23	Supreme Computers		Payment	Cheque	100003	5-Apr-23		1,00,000.00	
10-Apr-23	National Traders		Payment	Cheque	100000	10-Apr-23		10,00,000.00	
12-Apr-23	Cash	Arun Traders	Contra	Cash		12-Apr-23		50,000.00	
12-Apr-23	Cash	Ramesh	Contra	Cash		12-Apr-23		10,000.00	
12-Apr-23	Arun Traders	Arun Kumar	Receipt	Cheque/DD	123456	12-Apr-23		2,50,000.00	
15-Apr-23	Arun Traders	Arun Kumar	Receipt	Cheque/DD	234123	15-Apr-23		1,20,000.00	
30-Apr-23	Arun Traders		Receipt	Cheque/DD	101123	30-Apr-23		1,20,000.00	
Balance as per Company Books:								39,15,000.00	
Amounts not reflected in Bank:								55,50,000.00	16,35,000.00
Amounts not reflected in Company Books:									
Balance as per Bank:									
Balance as per Imported Bank Statement:									
Difference:									

The fields at the bottom of the screen show:

- **Balance as per Company Books:** It reflects the balance as of the last date (in the example, it is 30th April).
- **Amount not reflected in Bank:** It is the debit and credit sums of all those vouchers, whose Bank Date is either BLANK or LATER than 30-Apr (i.e. these vouchers have not yet been reflected in the bank statement).
- **Amount not reflected in Company Books:** These are entries that are present in the bank statement but are not recorded in the company's books.
- **Balance as per Bank:** It is the net effect of the Book Balance offset by the amounts not reflected in the Bank – which must be equal to the balance in the bank statement.
- **Balance as per Imported Bank Statement:** It refers to the balance displayed on importing the bank statement for reconciliation.
- **Difference:** You can see the difference in Balance as per Bank and Balance as per the Imported Bank Statement.

Remove Opening BRS After Splitting the Company Data

When you split the company data, the unreconciled transactions are automatically updated in the Opening BRS details of the new company. After splitting the company if you have created a new company and don't want to view the unreconciled transactions under Opening BRS then you can remove selected or all unreconciled transactions from the Opening BRS.

1. Open Bank Reconciliation of the new company.
 - a. Open the new company.
 - b. Press **Alt+G** (Go To) > type or select **Bank Reconciliation** > and press **Enter**. Alternatively, **Gateway of Tally > Banking > Bank Reconciliation** > and press **Enter**.
 - c. Select the desired bank from the **List of Bank Ledgers** screen. The **Bank Reconciliation** screen appears.
2. View and remove unreconciled transactions.
 - a. Press **Alt+H** (Opening BRS) to view the **Opening Bank Allocations** screen. The list of all unreconciled transactions of the particular bank ledger appears in the **Opening Bank Allocations** screen.
 - b. Press Spacebar on the date displayed under the **Date** column to remove the transaction from the unreconciled list.
 - c. Press **Alt+J** (Delete All) in the **Opening Bank Allocations** screen to delete all the transactions from the unreconciled list.

Date	Particulars	Nature of Transaction	Transaction Type	Remarks	Debit	Credit
4-4-2023	National Enterprises	Withdrawal	Cheque	Instrument No. : 100000 Instrument Date : 1-4-2023 Bank Date :		5,00,000.00
1-4-2023	National Traders	Withdrawal	Cheque	Instrument No. : 100004 Instrument Date : 4-4-2023 Bank Date :		25,000.00
10-4-2023	National Traders	Withdrawal	Cheque	Instrument No. : 100002 Instrument Date : 1-4-2023 Bank Date :		
5-4-2023	Supreme Computers	Withdrawal	Cheque	Instrument No. : 100001 Instrument Date : 10-4-2023 Bank Date :		1,00,000.00
10-4-2023	National Traders	Withdrawal	Cheque	Instrument No. : 100003 Instrument Date : 5-4-2023 Bank Date :		10,00,000.00
15-4-2023	Arun Kumar	Deposit	Cheque/DD	Instrument No. : 234123 Instrument Date : 15-4-2023 Bank Date :	1,20,000.00	
1-4-2023	Anil Mehta	Deposit	Cheque/DD	Instrument No. : 100001 Instrument Date : 1-4-2023 Bank Date :	50,00,000.00	
12-4-2023	Arun Kumar	Deposit	Cheque/DD	Instrument No. : 123456 Instrument Date : 12-4-2023 Bank Date :	2,50,000.00	
30-4-2023	Arun Traders	Deposit	Cheque/DD	Instrument No. : 101123 Instrument Date : 30-4-2023 Bank Date :	1,20,000.00	
12-4-2023	Ramesh	Deposit	Cash	Instrument No. : Instrument Date : 12-4-2023 Bank Date :	10,000.00	
12-4-2023	Arun Traders	Deposit	Cash	Instrument No. : Instrument Date : 12-4-2023 Bank Date :	50,000.00	
					Balance as per Company Books:	38,15,000.00
					Amounts not reflected in Bank:	55,50,000.00
					Balance as per Bank:	16,35,000.00

3. Accept the screen. As always, you can press **Ctrl+A** to save.

Compare Between Bank Book and Cash Book

In TallyPrime you can compare bank books with cash books or two or more banks by using the multi-columnar reporting facility. The comparison of information for multiple periods (year, month, or user-defined period) for two or more banks can be done on the same screen, instead of toggling between different periods/ledgers. Compare two or more of your

bank accounts to see the transactions done in each bank and to decide from which bank you can make the payment and in which bank you should receive money.

1. Press **Alt+G** (Go To) > type or select **Cash/Bank Book** and press **Enter**. Alternatively, **Gateway of Tally > Display More Reports > Account Books > Cash/Bank Book(s)**.
2. Select the Cash or Bank Account. The Ledger Monthly Summary screen appears.
3. Press **Alt+C** (New Column) and select the Name of Ledger. Based on the option selected, TallyPrime displays comparisons as shown below:

Ledger Monthly Summary		National Enterprises					
Particulars	Kotak Mahindra Bank National Enterprises 1-Apr-23 to 25-Apr-23			Kotak Mahindra Bank - 09580070000056 National Enterprises 1-Apr-23 to 25-Apr-23			
	Transactions		Closing Balance	Transactions		Closing Balance	
	Debit	Credit		Debit	Credit		
Opening Balance							1,93,196.67 Dr
April	55,50,000.00	16,35,000.00	39,15,000.00 Dr	7,33,392.00	7,11,766.85		2,14,815.82 Dr
May		5,50,000.00	33,65,000.00 Dr				2,14,815.82 Dr
June		8,50,000.00	25,15,000.00 Dr				2,14,815.82 Dr
July							
August							
September							
October							
November							
December							
January							
February							
March							
Grand Total	55,50,000.00	30,35,000.00	37,95,000.00 Dr	7,33,392.00	7,11,766.85		2,14,815.82 Dr

You can view the details of the transaction along with the closing balance for both banks on a single screen. To view the average of the transactions or the highest and lowest balance in a month, you can press **F12** (Configure) and enable **Show Average** and **Show Highest and Lowest Balance**.

Problem No. 1 (1st Jan 2024 To 31st Jan 2024)

- 1). Ravi Started business with Rs. 20,00,000/- (F6)
- 2). Cash deposited at HDFC bank Rs.15,00,000/- (F4)
- 3). Purchase Machinery by Cheque Rs. 2,00,000/- Ch.no:457896 (F5)
- 4). Purchase Furniture for Cash Rs. 75,000/- (F5)
- 5). Purchase 20 IBM Computers for Cash @Rs.6,500/- (F9)
- 6). Purchase 30 LG computers by cheque @Rs. 6,000/-,Ch.no:-787896(F9)
- 7). Purchase 25 Dell computers by [cheque@Rs.7,200/-,Ch.no :-367896](#)(F9)
- 8). Sales 18 IBM computers for cash @Rs.7,500/-(F8)
- 9). Sales 25LG computer by cheque @Rs.7,000/-, Ch.no :-245896.9(F8)
- 10). Sales 25 Dell computers by [cheque@Rs.7,800/-,Ch.no :-896526](#).(F8)
- 11). Rent paid by cheque Rs.12,500/-, Ch.no961234(F5)
- 12). Salaries paid by cheque Rs.8,500/-, Ch.no :-852612(F5)
- 13). Carriage inwards by cheque Rs.10,000/-,Ch.no :-521232(F5)
- 14). Commission received by cheque Rs.3,500/-,Ch.no:-625812.(F6)

HDFC Bank Statement from 1st Jan 2024 To 31st Jan 2024

Date	Ch.No's	Particulars	Debit Rs.	Credit Rs.
01-01-2024		Deposit		15,00,000
01-01-2024	457896	Machinery	2,00,000	
02-01-2024	787896	Purchases	1,80,000	
02-01-2024	367896	Purchases	1,55,000	
02-01-2024	245896	Sales		1,75,000
31-01-2024	896526	Sales		1,95,000
31-01-2024	961234	Rent	12,500	
31-01-2024	852612	Salaries	8,500	
31-01-2024	625812	Commission		3,500
				13,17,500

Problem No.2 (April and May 2024)

SL.NO	DATE	TRANSACTIONS					
1)	1-4-2024	Mr. VSR started smart Agencies by bringing in capital of Rs 15,00,000 by cheque and deposited the same in ICICI bank by opening a new account.					
2)	3-4-2024	Mr.VSR withdrew Rs.50,000 for shop expenditure from ICICI ank.(Cheque number: 123451)					
3)	5-4-2024	Mr. VSR purchased furniture and fixtures worth Rs.1,50,000 for the shop by cheque (Cheque number: 123452)					
4)	8-4-2024	Mr. VSR rented a premise on 1-4-2024 for his business at Rs.3,500 per month.He paid a security deposit of Rs.25,000 by cheque.(Cheque number: 123453)					
5)	10-4-2024	Mr. VSR issued a cheque to purchase the following assets.(Cheque number: 123454)					
		Asset		Cost (Rs)	Rate of Depreciation		
		Cell phone		5,500	15%		
		Computer		25,000	60%		
		Electrical Fitting		5,000	10%		
		Motor Vehicle(2 Wheeler)		40,000	15%		
6)	12-4-2024	Mr. VSR Hired the following people.					
		Name		Designation	Monthly Salary(Rs)		
		Rahul Bhatt		Sales executive	4,000		
		Jairam Sengupta		Salesman	3,500		
		Shishir Mathur		Accountant	2,500		
		Ajith V Nair		Clerk	1,500		
		Ajith also in charge of Petty cash and submitting the statement of expenses at the end of each month.					
7)	20-4-2024	Mr.VSR purchased the following items from A2Z Traders on credit.					
		Items	Quantity (in pieces)	Rate per piece(Rs)	Value	GST	Total value
		High capacity stabilizers	100	600	60,000	12%	67,500
		Low capacity stabilizers	100	400	40,000	12%	45,000

8)	21-4-2024	Mr. VSR purchased the following items from A2Z traders on credit.					
		Items	Quantity (in numbers)	Rate per number(Rs)	Value	GST	Total Value
		Open well pumps	50	1500	75,000	5%	78,000
		Submersible pumps	100	2,000	2,00,000	5%	2,08,000
		Gross total					331000
9)	22-4-2024	Mr. VSR paid carriage inward expenses of Rs.500 in cash on purchases made on 20-4-2024 and 21-4-2024					
10)	27-4-2024	Mr.VSR transferred Rs.10,000 to petty cash from cash to meet the day to day expenses.					
11)	28-4-2024	Mr.VSR withdrew Rs.5,000 in cash for personal use.					
12)	1-5-2024	Mr.VSR paid salaries through cheque for April 2014(Cheque number:123455)The detailsareas follows.					
		Name		Salary paid(Rs)		Number of days	
		Rahul bhatt		2400		18	
		Jairam Sengupta		2100		18	
		Shishir Mathur		1500		18	
		Ajith V nair		900		18	
14)	2-5-2024	Mr.VSR paid Rs.2,500 in cash for stationery ,printing invoices and vouchers to vcannon traders.					
15)	3-5-2024	Mr.VSR received the statement of expenditure from the petty cashier for april 2014.The statement as follows.					
		Nature of expense			Amount(Rs)		
		Stationery purchased			2500		
		Cell phone bill			600		
		Shop maintenance expenses			450		
		Conveyance expenses of marketing executives			250		
16)	6-5-2024	Mr.VSR paid Rs.3,500 by cheque towards shop rent for April 2014(cheque number:123456).					
17)	10-5-2024	Mr.VSR sold the following items for cash, details are as follows					
		Item	Quantity(in pieces)	Rate	Value	GST	Total amount
		High capacity stabilizers	50	850	42,500	12%	47,813
		Open well pumps	15	1,700	25,500	5%	26,520
		Gross total					74333
18)	15-5-2024	Mr.VSR issued a cheque to A2Z traders for 3.95.000 after deducting the discount of Rs.....He received discount as the agreed to pay the entire bill amount(cheque number : 123457)					
19)	28-5-2024	Mr.VSR withdrew Rs. 4,000in cash for personal use.					
20)	30-5-2024	Salaries paid by cheque Rs. 15000.					
20)	30-5-2024	Mr.VSR received the statement of expenditure from the pretty cashier for May 2014.The statement as follws:					
		Nature of expense			Amount (Rs)		
		Cellphone bill			1500		
		Conveyance expense of marketing			800		

		executives	
		Shop maintenance expenses	200

Bank statements of April and May -2024

DATE	PARTICULARS	DEPOSITS	WITHDRAWLS	BALANCE
2-4-2024	Cheque No:187962 Deposited(Anurag VSR Capital)	15,00,000		15,00,000
3-4-2024	Cheque no:123451(cash withdrawn)		50,000	1,45,000
8-4-2024	Cheque no:123452(furnitures and fixtures)		1,50,000	13,00,000
10-4-2024	Cheque no:123453(As security deposit)		25,000	12,75,000
13-4-2024	Cheque no:123454(for assts purchased)		75,500	11,99,500
2-5-2024	Cheque no:123455(salary paid)		6,900	11,92,600
6-5-2024	Cheque no:123456(Rent paid)		3,500	11,89,100
19-5-2024	Cheque no:123457(Issued to A2Z traders)		3,96,500	7,92,600
2-6-2024	Cheque no:123459(salary paid)		15,000	7,77,600

Goods and Services Tax

The **Goods and Services Tax** or **GST** is a single, indirect tax that integrates all indirect taxes within the Indian economy. GST is a destination-based consumption tax as it is charged at every stage, wherever some value is added to the goods or services, and the supplier of the good or service offsets the charge on its inputs of the previous stages. The charge is offset through the tax credit mechanism. Ultimately, the last dealer passes on the added GST to the consumer of the goods or services.

The GST rate list comprises four slabs, namely 0%, 5%, 12%, 18%, and 28%. The GST council has assigned each good and service to one of these five tax slabs. Essential commodities such as food grains, milk, fresh fruits and vegetables, healthcare services, education, and transportation services

The three types of taxes under GST are:

- **Central Goods and Services Tax (CGST):** GST levied by the Centre on the Intra-State supply of goods or services i.e supply of goods and services in the same state.
- **State Goods and Services Tax (SGST):** GST levied by the State (including Union Territories with legislatures) on the Intra-State supply (supply of goods and services in the same state) of goods or services by the State.
- **Integrated Goods and Services Tax (IGST):** GST collected by the Centre and levied on the Inter-State supply of goods or services. In other terms, IGST is the total of CGST and SGST.

Classification of GST for Accounting Purposes:

1. **Input CGST/SGST:** Input CGST/SGST is paid on intra-state purchases of goods and services and adjusted against Output CGST/SGST i.e. GST collected on sales.
2. **Input IGST:** Input IGST is paid on inter-state purchases of goods and services and adjusted against Output IGST i.e. GST collected on sales.
3. **Output CGST/SGST:** Output CGST/SGST is collected on intra-state sales or supply of goods and services.
4. **Output IGST:** Input IGST is collected on inter-state sales or supply of goods and services.

Order of setting off of Input GST:

1. INPUT CGST	Set Off Against	First, Output CGST
		If balance, Output IGST
2. INPUT SGST	Set Off Against	First, Output SGST
		If balance, Output IGST
3. INPUT IGST	Set Off Against	First, Output IGST
		If balance, Output CGST and SGST

Journal Entries (In case of Intra-state supply of goods and services i.e. sales within the same state):

1. **For purchase of goods:**

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Purchases A/c Dr.		C.P Of Goods	
	Input CGST A/c Dr.		Amt. of CGST	
	Input SGST A/c Dr.		Amt. of SGST	
	To Bank/Creditors A/c			XXXX
	(Being goods purchased and GST paid)			

2. For sale of goods:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Bank/Debtors A/c Dr.		XXXX	
	To Sales A/c			S.P of Goods
	To Output CGST A/c			Amt. of CGST
	To Output SGST A/c			Amt. of SGST
	(Being goods sold and GST collected)			

3. For purchase return:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Creditors A/c Dr.		XXXX	
	To Purchase Return A/c			C.P of Goods
	To Input CGST A/c			Amt. of CGST
	To Input SGST A/c			Amt. of SGST
	(Being goods returned to supplier with GST)			

4. For sales return:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Sales Return A/c Dr.		S.P of Goods	
	Output CGST A/c Dr.		Amt. of CGST	
	Output SGST A/c Dr.		Amt. of SGST	
	To Debtors A/c			XXXX
	(Being goods returned from debtors)			

5. For purchase of fixed assets:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Fixed Assets A/c Dr.		C.P of Assets	
	Input CGST A/c Dr.		Amt. of CGST	
	Input SGST A/c Dr.		Amt. of SGST	
	To Bank A/c			XXXX
	(Being assets purchased and GST paid)			

6. For expenses paid:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Particular Expense A/c Dr.		Amt. of Exps.	
	Input CGST A/c Dr.		Amt. of CGST	
	Input SGST A/c Dr.		Amt. of SGST	
	To Bank A/c			XXXX
	(Being expenses paid with GST)			

7. For income received:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Bank A/c Dr.		XXXX	
	To Income Received A/c			Amt. of Income
	To Output CGST A/c			Amt. of CGST
	To Output SGST A/c			Amt. of SGST
	(Being income received with GST)			

8. For goods withdrawn by the proprietor for personal use:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Drawings A/c Dr.		XXXX	
	To Purchases A/c			C.P of Goods
	To Input CGST A/c			Amt. of CGST
	To Input SGST A/c			Amt. of SGST
	(Being goods taken for personal use and GST adjusted)			

9. For goods given away as free samples/loss of goods by fire/theft:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Free Samples A/c Dr.		XXXX	
	Loss by Fire A/c Dr.		XXXX	
	Loss by Theft A/c Dr.		XXXX	
	To Purchases A/c			C.P of Goods
	To Input CGST A/c			Amt. of CGST
	To Input SGST A/c			Amt. of SGST
	(Being goods distributed/lost and GST reversed)			

10. For setting off Input CGST against Output CGST:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Output CGST A/c Dr.		XXXX	
	To Input CGST A/c			Bal. Amt. of Input CGST
	(Being Input CGST set off against Output CGST)			

11. For setting off Input SGST against Output SGST:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Output SGST A/c Dr.		XXXX	
	To Input SGST A/c			Bal. Amt. of Input SGST
	(Being Input SGST set off against Output SGST)			

12. For payment of GST:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
	Output CGST A/c Dr.		Bal. Amt. of Output CGST	
	Output SGST A/c Dr.		Bal. Amt. of Output SGST	
	To Bank A/c			XXXX
	(Being Input SGST set off against Output SGST)			

GST Configurations:

Activate GST for Your Company

To use Tally. ERP 9 for GST compliance, you need to activate the GST feature. Once activated, GST-related features are available in ledgers, stock items, and transactions, and GST returns can be generated.

On this page

- [Activate GST for Regular Dealers](#)
- [Activate GST for Composition Dealers](#)

Activate GST for Regular Dealers

1. Open the company for which you need to activate GST.
2. Press **F11** > **F3** .

Company: National Enterprises

Statutory and Taxation

Enable Goods and Services Tax (GST)	? Yes	Enable Tax Deducted at Source (TDS)	? No
Set/alter GST details	? Yes	Set/alter TDS details	? No
Enable Value Added Tax (VAT)	? Yes	Enable Tax Collected at Source (TCS)	? No
Set/alter VAT details	? Yes	Set/alter TCS details	? No
Enable excise	? No		
Set/alter excise details	? No		
Enable service tax	? No		
Set/alter service tax details	? No		

Tax Information

PAN/Income tax no. : AAACC0061H

Corporate Identity No. (CIN): U22222292017003123456

F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons

Accept ?
Yes or No

3. **Enable Goods and Services Tax (GST) - Yes** .
4. **Set/alter GST details - Yes** . The **GST Details** screen is shown.

GST Details

State	: Karnataka
Registration type	: Regular
Assessee of Other Territory	? No
GSTIN/UIN	: 27ALDGE1234A1Z5
Applicable from	: 1-Jul-2017
Periodicity of GSTR1	: Monthly
e-Way Bill applicable	? Yes
Applicable from	: 1-Feb-2018
Threshold limit includes	: Invoice value
Threshold limit	: 50,000
Applicable for intrastate	? Yes
Threshold limit	: 50,000
Enable tax liability on advance receipts	? Yes
Enable tax liability on reverse charge (Purchase from unregistered dealer)	? Yes
Set/alter GST rate details	? No
Enable GST Classifications	? Yes
Provide LUT/Bond details	? No

Accept ?
Yes or No

- o **State** - shows the state as the company details. This helps in identifying local and interstate transactions according to the party's state. If you change the state here, the company details will get updated.

5. Set the **Registration type** as **Regular** .
6. Set the option **Assessee of Other Territory** to **Yes** , if your business unit is located in the Exclusive Economic Zone (other territory).
7. Specify the **GSTIN/UIN** for the business. This can be printed in the invoices as required. You can specify this later.
8. Specify **Applicable from** date. GST will be applicable for your transactions from this date onwards.
9. Select the **Periodicity of GSTR1** as **Monthly** or **Quarterly** , based on your business turnover.
10. The option **e-Way Bill applicable** is set to **Yes** , with the **Applicable from** date and **Threshold limit** .
11. Select the value to be considered for e-Way Bill for the option **Threshold limit includes** .
12. Set the option **Applicable for intrastate** to **Yes** , if it applies to your State and enter the **Threshold limit** .
13. Set the option **Enable tax liability on advance receipts** to **Yes** to activate calculation of tax liability on advance receipts. This option is disabled by default. (Applicable from **Release 6.1.1**)
14. Set the option **Enable tax liability on reverse charge (Purchase from unregistered dealer)** to **Yes** to activate calculation of tax liability for reverse charge on URD purchases. This option is disabled by default.
15. Enable the option **Set/alter GST rate details?** to enter the GST details at the company level.
16. Set the option **Enable GST Classification?** to Yes, to create and use the classifications in **GST Details** screen of masters.
17. Set the option **Provide LUT/Bond details?** to Yes, to enter the **LUT/Bond No.** , and **Validity** period.
18. Press **Enter** to save.

Activate GST for Composition Dealers

1. Open the company for which you need to activate GST.
2. Press **F11 > F3** .

Company: National Enterprises

Statutory and Taxation

Enable Goods and Services Tax (GST)	? Yes	Enable Tax Deducted at Source (TDS)	? No
Set/alter GST details	? Yes	Set/alter TDS details	? No
Enable Value Added Tax (VAT)	? Yes	Enable Tax Collected at Source (TCS)	? No
Set/alter VAT details	? Yes	Set/alter TCS details	? No
Enable excise	? No		
Set/alter excise details	? No		
Enable service tax	? No		
Set/alter service tax details	? No		

Tax Information

PAN/Income tax no. : AAACC0061H

Corporate Identity No. (CIN): U22222292017003123456

Accept ?

Yes or No

F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons

3. Enable Goods and Services Tax (GST) - Yes .

4. Set/alter GST details - Yes . The GST Details screen is shown.

GST Details	
State	: Karnataka
Registration type	: Composition
Assessee of Other Territory	? No
GSTIN/UIN	: 29ALDGE1234A1Z5
Applicable from	: 1-Jul-2017
Tax rate for taxable turnover (From 1-Dec-2017)	: 1 %
e-Way Bill applicable	? Yes
Applicable from	: 1-Feb-2018
Threshold limit includes	: Invoice value
Threshold limit	: 50,000
Applicable for intrastate	? Yes
Threshold limit	: 50,000
Enable tax rate for purchase (Includes purchases under reverse charge)	? Yes

Accept ?
Yes or No

o **State** - shows the state as the company details. This helps in identifying local and interstate transactions according to the party's state. If you change the state here, the company details will get updated.

5. Set the **Registration type** as **Composition** .

6. Set the option **Assessee of Other Territory** to **Yes** , if your business unit is located in the Exclusive Economic Zone (other territory).

7. Specify the **GSTIN/UIN** for the business. This can be printed in the invoices as required. You can specify this later.

8. Specify **Applicable from** date. GST composition will be applicable for your transactions from this date onwards.

9. The option **Tax rate for taxable turnover** , applicable from 1st July 2017 appears as **1%** . This rate is applied on your total sales turnover for calculating tax liability in **GSTR-4** .

Note: If you are changing the registration type from regular to composition, the applicability date of GST regular registration will be retained. You can change the date as required.

10. The option **e-Way Bill applicable** is set to **Yes** , with the **Applicable from** date and **Threshold limit** .

11. Select the value to be considered for e-Way Bill for the option **Threshold limit includes** .

12. Set the option **Applicable for intrastate** to **Yes** , if it applies to your State and enter the **Threshold limit** .

13. Set the option **Enable tax rate for purchase (Includes purchases under reverse charge)** to:

- **Yes** , to enter the GST rate in the ledgers and stock items for calculating GST in transactions.
- **No** , to specify the GST rates in each transaction for calculating GST.

14. Press **Enter** to save.

To create ledgers

After creating a company and activating GST features, you need to create ledgers that will enable you to pass accounting entries in Tally ERP 9.

Step 1 : -	Go to Gateway of Tally > Accounts Info > Ledgers > Create
Step 2 : -	Create ledgers such as Purchase, Sales, State GST, Central, Integrated GST, Stock item names etc.
Step 3 : -	Select the appropriate group to which such ledger belongs for example state tax under duties and taxes group.
Step 4 : -	Enter the other related information required and press Y or Enter to accept and save.

After creating ledgers we can proceed with preparing Accounting entries in Tally ERP 9. For that we have to follow : -

Gateway of Tally > [Accounting Vouchers](#)

There are many accounting vouchers in Tally such as Payment, Receipt, Contra, Sales, Purchase, etc. After choosing the relevant voucher we start passing the accounting entries.

Problem No.1

Pass journal entries for the following transactions in the books of Sahil Ltd. assuming that both parties belong to the same state and CGST @6% and SGST @6% are levied:

1. Purchased goods for ₹1,80,000 from Akanksha & Co.
2. Sold goods for ₹3,50,000 to Nupur Store.
3. Returned goods to Akanksha & Co. for ₹20,000.
4. Nupur Store returned goods for ₹16,000.
5. Paid for Printing and Stationary ₹10,000.
6. Goods withdrawn by the proprietor for personal use ₹40,000.
7. Goods destroyed by fire ₹30,000.
8. Payment made of balance of GST.

Solution:

Date	Particulars	L.F.	Amount(Dr.)	Amount(Cr.)
1.	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Akanksha & Co. A/c (Being goods purchased and CGST @6% and SGST @6% paid)		1,80,000 10,800 10,800	2,01,600
2.	Nupur Store A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Being goods sold and CGST @6% and SGST @6% collected)		3,92,000	3,50,000 21,000 21,000
3.	Akanksha & Co. A/c Dr. To Purchase Return A/c To Input CGST A/c To Input SGST A/c (Being goods returned to supplier after adjustment of GST)		22,400	20,000 1,200 1,200
4.	Sales Return A/c Dr. Output CGST A/c Dr. Output SGST A/c Dr. To Nupur Store A/c (Being goods returned from debtors after adjustment of GST)		16,000 960 960	17,920
5.	Printing & Stationery A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Being expenses paid with CGST @6% and SGST @6% paid)		10,000 600 600	11,200
6.	Drawings A/c Dr. To Purchases A/c To Input CGST A/c To Input SGST A/c (Being goods taken for personal use and GST adjusted)		44,800	40,000 2,400 2,400
7.	Loss by Fire A/c Dr. To Purchases A/c To Input CGST A/c To Input SGST A/c (Being goods distributed/lost and GST reversed)		33,600	30,000 1,800 1,800
8.	Output CGST A/c Dr. Output SGST A/c Dr. To Input CGST A/c To Input SGST A/c To Bank A/c (Being GST adjusted and balance amount paid)		20,040 20,040	6,000 6,000 28,080

Working Note:

Total Input CGST = $10,800 - 1,200 + 600 - 1,200 - 900 = ₹6,000$

Total Input SGST = $10,800 - 1,200 + 600 - 1,200 - 900 = ₹6,000$

Total Input CGST = $21,000 - 960 = ₹20,040$

Total Input SGST = $21,000 - 960 = ₹20,040$

Net CGST Paid = $20,040 - 6,000 = 14,040$

Net SGST Paid = $20,040 - 6,000 = 14,040$

Problem No.2

Pass entries in the books of Mukerjee & Sons. assuming all transactions have taken place within the state of Uttar Pradesh. Assume CGST @9% and SGST @ 9%.

2018	
March 1	Purchased goods for ₹ 5,00,000 from Mehta Bros.
March 10	Sold goods for ₹ 8,00,000 to Munjal & Co.
March 15	Paid for advertisement ₹ 40,000 by cheque.
March 18	Purchased furniture for office use ₹ 50,000 and payment made by cheque.
March 25	Paid for printing and stationery ₹ 8,000.
March 31	Payment made of balance amount of GST.

Answer:**Journal**

Date	Particulars	L.F.	Debit Amount (₹)	Credit Amount (₹)
2018 Mar 04	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Mehta Bros. A/c (Purchased from Mehta Bros.)		5,00,000 45,000 45,000	5,90,000
Mar 10	Munjal & Co. A/c Dr. To Sales A/c To Output CGST A/c		9,44,000	8,00,000 72,000

	To Output SGST A/c (Sold goods to Munjal & Co.)			72,000
Mar 15	Advertisement A/c	Dr.	40,000	
	Input CGST A/c	Dr.	3,600	
	Input SGST A/c	Dr.	3,600	
	To Bank A/c (Paid for advertisement)			47,200
Mar 18	Furniture A/c	Dr.	50,000	
	Input CGST A/c	Dr.	4,500	
	Input SGST A/c	Dr.	4,500	
	To Bank A/c (Purchased office furniture)			59,000
Mar 25	Printing & Stationery A/c	Dr.	8,000	
	Input CGST A/c	Dr.	720	
	Input SGST A/c	Dr.	720	
	To Cash A/c (Paid for printing and stationery)			9,440
Mar 31	Output CGST A/c	Dr.	53,820	
	Output SGST A/c	Dr.	53,820	
	To Input CGST A/c			53,820
	To Input SGST A/c (Input tax credit availed)			53,820
Mar 31	Output CGST A/c	Dr.	18,180	
	Output SGST A/c	Dr.	18,180	
	To Bank A/c (Balance tax paid to government)			36,360
			17,93,640	17,93,640

Problem No.3

Pass entries in the books of Devdhar & Bros. Odisha, assuming all transactions have been entered within the state, charging CGST and SGST @ 9% each:

2018	
March 4	Purchased goods for Rs. 5,00,000 from Sunil Bros.
7	Goods returned to Sunil Bros. for Rs. 20,000
10	Sold goods to Mehta & Co. for Rs. 8,00,000
12	Goods returned by Mehta & Co. for Rs. 30,000
20	Goods withdrawn by Proprietor for personal use Rs. 10,000
25	Goods distributed as free samples Rs.5,000
26	Paid advertisement expenses by cheque Rs. 20,000
31	Payment made of balance amount of GST.

Answer:

Journal

Date	Particulars	L.F.	Debit Amount (â,¹)	Credit Amount (â,¹)
2018 Mar 04	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Sunil Bros. A/c (Purchased from Sunil Bros.)		5,00,000 45,000 45,000	 5,90,000
Mar 07	Sunil Bros. A/c Dr. To Purchases Return A/c To Input CGST A/c To Input SGST A/c (Goods returned to Sunil Bros.)		23,600 	 20,000 1,800 1,800
Mar 10	Mehta & Co. A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods to Mehta & Co.)		9,44,000 	 8,00,000 72,000 72,000
Mar 12	Sales Return A/c Dr. Output CGST A/c Dr. Output SGST A/c Dr. To Mehta & Co. A/c		30,000 2,700 2,700	 35,400

	(Goods returned by Mehta & Co.)			
Mar 20	Drawings A/c Dr. To Purchases A/c To Input CGST A/c To Input SGST A/c (Goods withdrawn for personal use)		11,800	10,000 900 900
Mar 25	Free Samples A/c Dr. To Purchases A/c To Input CGST A/c To Input SGST A/c (Goods distributed as free samples)		5,900	5,000 450 450
Mar 26	Advertisement A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Paid for advertisement)		20,000 1,800 1,800	23,600
Mar 31	Output CGST A/c Dr. Output SGST A/c Dr. To Input CGST A/c To Input SGST A/c (Input tax credit availed)		43,650 43,650	43,650 43,650
Mar 31	Output CGST A/c Dr. Output SGST A/c Dr. To Bank A/c (Balance tax paid to government)		25,650 25,650	51,300
			17,72,900	17,72,900

Problem No.4

Pass entries in the books of Ganguli & Sons. assuming all transactions have been entered in the state of West Bengal:

(i)	Purchased goods for Rs.2,00,000 and payment made by cheque.
(ii)	Sold goods for Rs.1,60,000 to Devki Nandan & Sons.
(iii)	Purchased goods for Rs. 50,000 on credit.
(iv)	Paid for printing and stationery Rs. 4,000.
(v)	Received for commission Rs.5,000.
(vi)	Output GST adjusted against Input GST.

Assume CGST @ 6% and SGST @ 6%.

Answer:

Journal

Date	Particulars	L.F.	Debit Amount (â,¹)	Credit Amount (â,¹)
	Purchases A/c Dr.		2,00,000	
	Input CGST A/c Dr.		12,000	
	Input SGST A/c Dr.		12,000	
	To Cheque A/c			2,24,000
	(Purchased goods and paid by cheque)			
	Devki Nandan & Sons A/c Dr.		1,79,200	
	To Sales A/c			1,60,000
	To Output CGST A/c			9,600
	To Output SGST A/c			9,600
	(Sold goods to Devki Nandan & Sons)			
	Purchases A/c Dr.		50,000	
	Input CGST A/c Dr.		3,000	
	Input SGST A/c Dr.		3,000	
	To Creditor A/c			56,000
	(Purchased goods on credit)			
	Printing & Stationery A/c Dr.		4,000	
	Input CGST A/c Dr.		240	
	Input SGST A/c Dr.		240	
	To Cash A/c			4,480
	(Paid for printing and stationery)			
	Cash A/c Dr.		5,600	
	To Commission Received A/c			5,000
	To Output CGST A/c			300
	To Output SGST A/c			300
	(Interest received)			
	Output CGST A/c Dr.		9,900	
	Output SGST A/c Dr.		9,900	
	To Input CGST A/c			9,900
	To Input SGST A/c			9,900
	(Input tax credit availed)			
			4,89,080	4,89,080

Input CSGT (Balance) = Rs 5,340

Input SGST (Balance) = Rs 5,340

Problem No.5

Pass entries for the following transactions in the books of M/s Karthikeyan & Co. of Chennai:

2019	
June 10	Purchased goods from Ravichandran of Madurai of the list price of Rs. 2,00,000 at 25% trade discount at 4% cash discount on purchase price of goods. Paid CGST and SGST @ 9% each. Paid the entire amount by cheque on the same date.
June 25	Sold goods to Ramalingam of Erode of the list price of Rs. 3,75,000 at 20% trade discount and 2% cash discount on sale price. Charged CGST and SGST @ 9% each. Full amount was received by cheque on the same date.

Ignore adjustment and payment of GST.

Answer:

Journal

In the books of M/s Karthikeyan & Co.

Date	Particulars	L.F.	Debit Amount	Credit Amount
2019				
June 10	Purchases A/c Dr. Input CGST A/c Dr. Output SGST A/c Dr. To Bank A/c To Discount received A/c (purchases from Ravichandaran @25% T.D. & 4% cash discount)		1,50,000 13,500 13,500	1,71,000 6,000
June 25	Bank A/c Dr. Discount Allowed A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (goods sold to Ramalingam @20% T.D. & 2% cash discount)		3,48,000 6,000	3,00,000 27,000 27,000
	TOTAL		5,31,000	5,31,000

WorkingNote:

(1) Calculation of the amount paid on purchases

List price of goods purchased	2,00,000
Less: trade discount @ 25%	(50,000)
	1,50,000
Add: Input CGST @ 9%	13,500
Output SGST @ 9%	13,500
	27,000
	1,77,000
Less: Cash discount @ 4%	(6,000)

Amount payable **1,71,000**

(2) Calculation of the amount received on sales

List price of goods sold 3,75,000
 Less: trade discount @ 20% (75,000)

3,00,000

Add: Input CGST @ 9% 27,000
 Output SGST @ 9% 27,000 54,000

3,54,000

Less: Cash discount @ 2% (6,000)

Amount payable **3,48,000**

Problem No.6

Record the following transactions in the books of Sahdev & Sons assuming all transactions have been entered within the state of Bihar, Charging CGST and SGST @ 9% each.

(i)	Bought goods from Nanak Bros. for Rs. 4,00,000 at 10% trade discount and 3% cash discount on purchase price. 25% of the amount paid at the time of purchase.
(ii)	Sold goods to Kumar & Sons. for Rs. 2,00,000 at 20% trade discount and 5% cash discount on sale price. 60% of the amount received by Cheque.
(iii)	Received from Gopi Chand Rs.38,000 by Cheque after deducting 5% cash discount.
(iv)	Paid Rs. 20,000 for rent by Cheque.
(v)	Paid Rs.50,000 for salaries by Cheque.
(vi)	Goods worth Rs. 10,000 distributed as free samples.
(vii)	Rs.5,000 due from Chanderkant are bad-debts.
(viii)	Sold household furniture for Rs. 15,000 and the proceeds were invested into business.

Answer:

Journal

Date	Particulars	L.F.	Debit Amount	Credit Amount
	Purchases A/c Dr.		3,60,000	
	Input CGST A/c Dr.		32,400	
	Input SGST A/c Dr.		32,400	
	To Cash A/c			1,03,014
	To Nanak Bros. A/c			3,18,600
	To Discount Received A/c			3,186
	(Purchased goods)			
	Kumar & Sons A/c Dr.		75,520	
	Bank A/c		1,07,616	

Discount Allowed A/c		5,664	
To Sales A/c			1,60,000
To Output CGST A/c			14,400
To Output SGST A/c			14,400
(Sold goods)			
Bank A/c	Dr.	38,000	
Discount Allowed A/c	Dr.	2,000	
To Gopi Chand A/c			40,000
(Received from Gopi Chand in full settlement)			
Rent A/c	Dr.	20,000	
Input CGST A/c	Dr.	1,800	
Input SGST A/c	Dr.	1,800	
To Bank A/c			23,600
(Paid for rent)			
Salaries A/c	Dr.	50,000	
To Bank A/c			50,000
(Paid salaries)			
Advertisement A/c	Dr.	11,800	
To Purchases A/c	Dr.		10,000
To Input CGST A/c	Dr.		900
To Input SGST A/c			900
(Goods distributed as free samples)			
Bad Debts A/c	Dr.	5,000	
To Chanderkant A/c			5,000
(Debtor proved bad)			
Cash A/c	Dr.	15,000	
To Capital A/c			15,000
(Invested money into business)			
		7,59,000	7,59,000

Problem No.7

Pass entries in the books of Mr. Roopani of Gujarat assuming CGST @ 9% and SGST@ 9%.

(i)	Purchased goods for Rs. 2,00,000 from Suryakant of Jaipur (Rajasthan) on Credit.
(ii)	Sold goods for Rs.1,50,000 to Mr. Pawar of Mumbai (Maharashtra) and the cheque received was sent to bank.
(iii)	Sold goods for Rs. 2,50,000 within the state on credit.
(iv)	Paid insurance premium of Rs.20,000 by cheque.
(v)	Purchased furniture for office for Rs. 60,000 by cheque.
(vi)	Payment made of balance amount of GST.

Answer:

Journal

Date	Particulars	L.F.	Debit Amount	Credit Amount
(i)	Purchases A/c Dr. Input IGST A/c To Suryakant's A/c (Purchased goods on credit)		2,00,000 36,000	2,36,000
(ii)	Bank A/c Dr. To Sales A/c To Output IGST A/c (Sold goods and received cheque)		1,77,000	1,50,000 27,000
(iii)	Debtors A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold on credit)		2,95,000	2,50,000 22,500 22,500
(iv)	Insurance Premium A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Paid for insurance premium)		20,000 1,800 1,800	23,600
(v)	Office Furniture A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Purchased office furniture)		60,000 5,400 5,400	70,800
(vi)	Output IGST A/c Dr. To Input IGST A/c (Input Tax credit up to Rs.27,000 availed and balance to be adjusted against Output CGST)		27,000	27,000
(vii)	Output CGST A/c Dr. To Input CGST A/c To Input IGST A/c To Bank A/c (Input tax credit availed and balance paid)		22,500	7,200 9,000 6,300
(viii)	Output SGST A/c Dr. To Input SGST A/c To Bank A/c (Input tax credit availed and balance paid)		22,500	7,200 15,300
Total			8,74,400	8,74,400

WorkingNote:**GST Common Set Off Procedure:**

	Output IGST (â,¹)	Output CGST (â,¹)	Output SGST (â,¹)
	27000	22500	22500
Input IGST	-27,000 (36000-9000)	-9000	-
Input CGST	-	-7,200 (1800 + 5400)	-
Input SGST	-	-	-7,200 (1800 + 5400)
Payable	Nil	6,300	15,300

Problem No.8

Pass entries in the books of Sh. Jagdish Mishra of Lucknow (U.P.) assuming CGST @ 6% and SGST @ 6%:

2018	
March 5	Purchased goods for Rs. 2,50,000 from Virender Yadav of Patna (Bihar).
March 12	Sold goods costing Rs.60,000 at 50% profit to Partap Sinha of Ranchi (Jharkhand).
March 14	Purchased goods for Rs. 70,000 from Ram Nath of Kanpur (U.P.) against cheque.
March 18	Sold goods at Varanasi (U.P.) Costing Rs. 2,25,000 at 33 1/3% profit less trade discount 10% against cheque which was deposited into bank.
March 20	Paid rent Rs. 25,000 by cheque.
March 31	Payment made of balance amount of GST.

Answer:**Journal**

Date	Particulars	L.F.	Debit Amount	Credit Amount
Mar 05	Purchases A/c Dr. Input IGST A/c To Virender Yadav A/c (Purchased goods on credit)		2,50,000 30,000	2,80,000
Mar 12	Partap Sinha A/c Dr. To Sales A/c To Output IGST A/c (Sold goods on credit)		1,00,800	90,000 10,800
Mar 14	Purchases A/c Dr. Input CGST A/c Dr.		70,000 4,200	

	Input SGST A/c To Bank A/c (Purchased goods against cheque)	Dr.	4,200	78,400
Mar 18	Bank A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods against cheque)	Dr.	3,02,400	2,70,000 16,200 16,200
Mar 20	Rent A/c Input CGST A/c Input SGST A/c To Bank A/c (Paid rent by cheque)	Dr. Dr. Dr.	25,000 1,500 1,500	28,000
Mar 31	Output IGST A/c To Input IGST A/c (Input tax credit availed)	Dr.	10,800	10,800
Mar 31	Output CGST A/c To Input CGST A/c To Input IGST A/c (Input tax credit availed)	Dr.	16,200	5,700 10,500
Mar 31	Output SGST A/c To Input SGST A/c To Input IGST A/c To Bank A/c	Dr.	16,200	5,700 8,700 1,800
			8,32,800	8,32,800

Problem No.9

Pass entries in the books of Krishnan of Bengaluru (Karnataka) in the following cases:

I	Purchased goods from Karunakaran of Chennai for Rs. 1,00,000. (IGST @18%)
II	Sold goods to Ganeshan of Bengaluru for Rs. 1,50,000. (CGST @ 6% and SGST @ 6%)
III	Sold goods to S. Nair of Kerala for Rs. 2,60,000. (IGST @18%)
IV	Purchased a Machinery for Rs.80,000 from Surya Ltd. against cheque. (CGST @ 9% and SGST @ 9%)
V	Paid rent Rs. 30,000 by cheque. (CGST @ 6% and SGST @ 6%)

VI	Purchased goods from Ram Mohan Rai of Bengaluru for Rs.2,00,000. (CGST @ 6% and SGST @ 6%)
VII	Paid insurance premium Rs. 10,000 by cheque. (CGST @ 9% and SGST @ 9%)
VIII	Received commission Rs. 20,000 by cheque which is deposited into bank. (CGST @ 9% and SGST @ 9%)
IX	Payment made of balance amount of GST.

Answer:

Journal

Date	Particulars	L.F.	Debit Amount	Credit Amount
	Purchases A/c Dr. Input IGST A/c To Karunakaran A/c (Purchased goods on credit)		1,00,000 18,000	1,18,000
	Ganeshan A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods on credit)		1,68,000	1,50,000 9,000 9,000
	S. Nair A/c Dr. To Sales A/c Dr. To Output IGST A/c (Sold goods on credit)		3,06,800	2,60,000 46,800
	Machinery A/c Dr. Input CGST A/c Input SGST A/c To Bank A/c (Purchased Motor bike against cheque)		80,000 7,200 7,200	94,400
	Rent A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Paid rent by cheque)		30,000 1,800 1,800	33,600
	Purchases A/c Dr. Input CGST A/c Input SGST A/c To Ram Mohan Rai A/c (Purchased goods on credit)		2,00,000 12,000 12,000	2,24,000
	Insurance Premium A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c		10,000 900 900	11,800

(Paid insurance premium by cheque)				
Bank A/c	Dr.	23,600		
To Commission A/c			20,000	
To Output CGST A/c			1,800	
To Output SGST A/c			1,800	
(Received commission and deposited in bank)				
Output IGST A/c	Dr.	18,000		
To Input IGST A/c			18,000	
(Input tax credit availed)				
Output CGST A/c	Dr.	10,800		
Output SGST A/c	Dr.	10,800		
To Input CGST A/c			10,800	
To Input IGST A/c			10,800	
(Input tax credit availed)				
Output IGST A/c	Dr.	28,800		
To Input SGST A/c			11,100	
To Input IGST A/c			11,100	
To Bank A/c			6,600	
			10,48,600	10,48,600

Problem No.10

Pass entries in the books of all parties in the following cases assuming CGST @ 6% and SGST @ 6%:

2018	
March 1	Mahesh Chandra of Bihar purchased goods for Rs. 1,00,000 from Sunil Soren of Jharkhand and sold the same to Deepak Patnaik of Odisha for Rs. 1,50,000.
March 5	Deepak Patnaik sold goods to Suresh Yadav of Odisha for Rs. 1,80,000.
March 10	Suresh Yadav sold goods to Ravi Chakravarti of West Bengal for Rs. 2,50,000.
March 14	Ravi Chakravarti sold goods costing Rs. 2,50,000 to Sanjay Diwedi of West Bengal at a profit of 40% on cost.

Answer:

(a)

Journal of Mahesh Chand, Bihar

Date	Particulars	L.F.	Debit Amount (â,')	Credit Amount (â,')
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2018 Mar 01	Purchases A/c Input IGST A/c To Sunil Soren (Purchased goods plus 12% IGST)	Dr.	1,00,000 12,000	1,12,000
Mar 01	Deepak Patnaik To Sales A/c To Output IGST A/c (Sold goods plus 12% IGST)	Dr.	1,68,000	1,50,000 18,000
Total			2,80,000	2,80,000

(b)

Journal of Sunil Soren, Jharkhand

Date	Particulars	L.F.	Debit Amount	Credit Amount
2018 Mar 01	Mahesh Chand To Sales A/c To Output IGST A/c (Sold goods plus 12% IGST)	Dr.	1,12,000	1,00,000 12,000
Total			1,12,000	1,12,000

(c)

Journal of Deepak Patnaik, Odisha

Date	Particulars	L.F.	Debit Amount	Credit Amount
2018 Mar 01	Purchases A/c Input IGST A/c To Mahesh Chand (Purchased goods plus 12% IGST)	Dr.	1,50,000 18,000	1,68,000
Mar 05	Suresh Yadav To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods plus 6% CGST and SGST each)	Dr.	2,01,600	1,80,000 10,800 10,800
Total			3,69,600	3,69,600

(d)

Journal of Suresh Yadav, Odisha

Date	Particulars	L.F.	Debit Amount	Credit Amount
2018 Mar 05	Purchases A/c Dr. Input CGST A/c Input SGST A/c To Deepak Patnaik (Purchased goods plus 12% IGST)		1,80,000 10,800 10,800	2,01,600
Mar 10	Ravi Chakravarti Dr. To Sales A/c To Output IGST A/c (Sold goods plus 12% IGST)		2,80,000	2,50,000 30,000
Total			4,81,600	4,81,600

(e)

Journal of Ravi Chakravarti, West Bengal

Date	Particulars	L.F.	Debit Amount	Credit Amount
2018 Mar 10	Purchases A/c Dr. Input IGST A/c To Suresh Yadav (Purchased goods plus 12% IGST)		2,50,000 30,000	2,80,000
Mar 14	Sanjay Diwedi Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods costing Rs. 2,50,000 at 40% Profit plus 6% CGST and SGST each)		3,92,000	3,50,000 21,000 21,000
Total			6,72,000	6,72,000

Transactions of Registered Regular Dealer

Journalize the following transactions of KNR IT Academy GST RegistrationType – Regular (37AADCB2230M2ZR, Ongole Transacting in Coputer parts @15% GST for the Financial Year 2023-24 Opening Balances as on 01-07-2023

Capital Rs.10,00,000, Andhra Bank Rs.20,000, Axis Bank account Rs.50,000, Stock Rs.6,25,000 (Zenith CPU 20no's @15000 Each , LG Monitors 30 no's @8000 each, Logitech Mouses 200@300 Each,Frontech Keyboard 100@250Each, Debtors Rs. 3,15,000 (Yes Computers Rs.1,50,000, Byte Computers Rs.1,65,000), Creditors Rs. 1,80,000 (Zenith & Co Rs. 1,00,000, Sam & Co Rs. 30,000,Sri ComputerWorld Rs. 50,000), Mobile Van Rs.1,20,000, Cash in Hand Rs. 50,000.

1st June Purchased 50 Zenith CPU from Zenith &Co(GSTIN: 37AABCS14291ZT)Worth of Rs. 9,00,000, GST @18% (Local Regular Purchases).

1st June Returned 19 Zenith Computer to Zenith & Co (Local Purchase return)

1st June Sold 14 Zenith CPU to Byte Computers Institute (GSTIN:37AAACI1681G2ZN) for Rs.2,80,000 GST @ 18% (Local Regular sales).

1st June Byte Computer returned 4 Zenith CPU (Local Sales Returns)

1st June Purchased 100 Zenith Mouses to Sri Computer world (Composition Dealer) (GSTIN: 37FSTPS9233K1ZL) for Rs. 15,000 (local Composition Purchases)

1st June Returned 10 Zenith Mouses to Sri Computer world (Local Comp Pur returns)

2nd June Sold 90 logitech mouses to Yes Computers(Composition dealer) (GSTIN: 37FSTPS92331ZL) for Rs. 27,000 (Local Composition sales)

2nd June Yes Computers returned 10 logitech Mouses (Localcompsales returns)

2nd June Purchased 80 Samsung Monitors fromSam& CO (Unregistered dealer) for Rs. 4,80,000.

2nd June Returned back 20 Samsung monitors (local UR purchase returns)

30th June Sold 50 Samsung monitors to Pavan & Co (Unregistered Dealer) For Rs. 4,00,000.

30th June Pavan & Co returned 10 Monitors

30th June Purchased 100 Acer Keyboards from Jain&Co Mumbai (Regular GSTIN 27AAACC4175D1ZY) @280 Each (Inter sate Purchases)

30th June Sales 5 LG Monitors @6500 each , 20 Zenith Mouses @300 Each, 30 Acer Keyboards @350 each to Joy Ram Spares, Kolkata, West Bengal (Regular GSTIN: 19AAACI1681G1ZM) (Inter state sales)

30th June Sold 1 Zenith CPU Rs. 22,000, 1LG Monitor for Rs. 6,500, Frontech keyboard rs. 300, Logitech mouse Rs.350, to Ramesh, Visakhapatnam(Computer) Cash received from Ramesh.

30th June Cash sales 30 Zenith CPU @20,000 each to Yes Computers Through cheque drawn on SBI, Cheque deposited in axis bank.

30th June Cheque No.450700 drawn on axis bank for Rs. 5,00,000 issued to zenith & Co.

30th June Cheque No.142536 drawn on axis bank is received from Byte Computers Rs.2,75,000.

(ANS: Opening bal: 11,80,000, Closing stock Rs. 5,76,785, TB Rs.37,78,077, GP/NP – 2,40,935, B/s - 21,71,862).

Tax Deducted At Source (TDS)

Tax Deducted at Source (TDS) is a procedure implemented by the Indian government to collect taxes at the source of income. A certain percentage of tax is deducted by the payer at the time of making payments to the receiver, and this amount is then remitted to the government.

TDS is applicable to a wide range of income categories such as salaries, interest on fixed deposits, rent, commissions, etc. TDS helps prevent tax evasion and understanding it is crucial for both payers and receivers of income in India.

TDS has to be deducted at the rates prescribed by the tax department. The company or person that makes the payment after deducting TDS is called a deductor and the company or person receiving the payment is called the deducted.

It is the deductor's responsibility to deduct TDS before making the payment and deposit the same with the government. TDS is deducted irrespective of the mode of payment—cash, cheque or credit—and is linked to the PAN of the deductor and deducted.

Definition: Tax deducted at source is one of the modes of collecting income tax from assesses in India. Such collection of tax is effected at the source when income arises or accrues

- Commission on brokerage
- Commission on sale of lottery tickets
- Fees for professional or technical services
- Insurance commission
- Interest on securities
- Payment to contractors
- Payment to sub-contractors
- Rent
- Winning for horse race
- Winning from lotteries and cross word puzzles

When we pay amount to a party who rendered services coming in the purview of above services, first we have to deduct TDS from the party account and the same is to be sent to Government.

Problem No.1

- 1). Rama started business with Rs. 10,00,000/- (F6)
- 2). Cash deposit at ICICI Bank Rs. 7,00,000/- (F4)
- 3). Purchase 50 LG TV's for Cash @ Rs. 6,500/- (F9)
- 4). Purchase 25 Sony TV's for cash @ Rs. 6,000/- (F9)
- 5). Sales 45 LG TV's to cash @ Rs. 9,500/- (F8)
- 6). Sales 23 Sony TV's to cash @ Rs. 9,000/- (F8)
- 7). Wages Paid Rs. 1,200/- (F5)
- 8). Salaries paid to Anusha Rs. 40,000/- with TDS (She is professional) (F7)
- 9). Carriage inwards Rs. 1,360/- (F5)
- 10). Carriage Outwards Rs. 1,500/- (F5)
- 11). Commission Received Rs. 3,200/- (F6)
- 12). Rent Paid Rs. 25,000/- (F5)
- 13). Advertisement charges paid to Praveen Rs. 50,000/- with TDS (She is advertisement contractor) (F7)

Ans: Gross Profit Rs. 88,140/- , Net Profit Rs. 2,01,440/- Balance Sheet Rs. 10,79,326/-

Problem No.2 Tax Collected at Source

- 1). Ramu started with business Rs. 20,00,000/- (F6)
- 2). Cash deposit at SBI bank Rs. 10,00,000/- (F4)
- 3). Purchase Machinery by cheque Rs. 2,00,000/- ch.no.124578 (F5)
- 4). Purchase 35 Nokia mobiles for cash @Rs. 6,400/- (F9)
- 5). Purchase 20 Sony mobiles for cash @ Rs.6,200/- (F9)
- 6). Sales 30 Nokia mobiles for cash @ Rs. 8,500/- (F8)
- 7). Sales 18 Sony mobiles for cash @Rs.8,000/- (F8)
- 8). Salaries paid Rs. 15,000/- (F5)
- 9). Other expenses paid Rs. 10,000/- (F5)
- 10). Scrap of sales Rs. 65,000/- to varsha (TCS is applicable) (F8)

Ans: Gross profit Rs. 1,60,400/- , Net Profit Rs. 1,35,400/-, Balance sheet Rs. 21,35,400/-
Debtors Rs. 65,650/- , Closing stock Rs. 44,400/- Cash in hand Rs. 10,26,000/-

Practice Problems

Problem No.1

- 1). KNR soft started business with Rs. 20,00,000/-
- 2). Purchase Plant and Machinery for cash Rs. 2,00,000/-
- 3). Purchase Furniture for cash Rs. 75,000/-
- 4). Purchase 35 VIVO mobiles for cash @Rs.6,500/-
- 5). Purchase 30 Samsung Mobiles for cash @Rs. 6,000/-
- 6). Sales 30 VIVO Mobiles to cash @Rs.7,500/-
- 7). Sales 25 Samsung Mobile to cash @ Rs.7,000/-
- 8). Rent paid Rs. 2,500/-
- 9). Salaries paid Rs. 3,500/-
- 10). Carriage inwards Rs. 10,000/-

Ans : Gross profit Rs. 45,000/-, Net Profit Rs. 39,000/- Balance sheet Rs. 20,39,000/-

Problem No.2

- 1). KNR IT started business with Rs.50,00,000/-
- 2). Cash deposited at SBI bank Rs. 15,00,000/-
- 3). Purchase Plant and machinery by Cheque Rs. 2,00,000/- ch.no.452345
- 4). Purchase 25 Lg mobiles by cheque @Rs.6,200/- ch.no.123458
- 5). Purchase 30 Samsung mobiles by cheque @Rs.6,000/- ch.no.45786
- 6). Sales 23 LG mobiles by cheque @Rs.7,200/- ch.no.478965
- 7). Sales 25 Samsung mobiles by cheque @ Rs. 7,000/- ch.no.478512
- 8). Rent paid Rs. 2,500/-
- 9). Bank Charges Rs. 1,200/-

Ans: Gross profit Rs. 48,000/- Net profit Rs.44,300/- Balance sheet Rs. 50,44,300/-

Problem No.3

- 1). KNR software solution started business with Rs. 19,00,000/-
- 2). Cash deposited at ICICI bank Rs. 9,00,000/-
- 3). Purchase Plant & Machinery by cheque Rs. 1,50,000/- ch.no.457896
- 4). Purchase furniture for cash Rs. 75,000/-
- 5). Purchase 25 LG laptops for cash @Rs.35,000/-
- 6). Purchase 15 Dell Laptops by cheque @Rs.43,000/- ch.no.478512
- 7). Purchase 15 HP laptops from Kumar @Rs.38,800/-
- 8). Sales 18 LG laptops to cash @Rs.40,500/-
- 9). Sales 12 Dell laptops by cheque @Rs.45,500/- ch.no.478365
- 10). Sales 12 HP laptops to Ravi @Rs.43,000/-

- 11). Rent paid Rs. 22,500/-
- 12). Salaries Paid Rs. 39,500/-
- 13). Purchase returns 2 HP laptops to Kumar.
- 14). Carriage inwards Rs. 15,000/-
- 15). Sales returns 1 HP laptops from Ravi

Ans: Gross profit Rs. 1,60,200/-, Net profit Rs. 1,11,700/-, Balance sheet Rs. 25,16,100/-
Closing stock Rs. 4,51,600/-, Cash in hand Rs. 7,15,500/- Debtors Rs.4,73,000/- Bank Rs. 6,51,000/-.

Problem No.4

1. Mr. Sagar started a business with cash Rs.300000.
2. Purchase furniture worth Rs.10000, for office use.
3. Purchase computer worth Rs. 20000, for office use.
4. Purchase machinery worth Rs. 20000, for office use.
5. Purchase vacuum cleaner worth Rs. 4500, for office use.
6. Purchase 10 LG TV's @ Rs. 10000 each from ken star &co.
7. Purchase 10 audio systems @ Rs. 5000 each from Samsung co.
8. Sold 8 LG TV's @ Rs.12000 each to Sridhar electricals.
9. Sold 9 audio systems @ Rs. 6000 each for cash.
10. Paid cash to ken star &co. Rs. 95000.
11. Paid cash to Samsung &co. Rs. 50000.
12. Received cash from Sridhar electronic Rs. 95000.
13. Paid salaries Rs. 5000.
14. Paid rent Rs. 2000.
15. Charge depreciation on furniture @ 5%.
16. Charge depreciation on computer @ 20%.
17. Charge depreciation on machinery @ 10%.
18. Charge depreciation on vacuum cleaner @ 10%.

REPORTS:

Closing stock: 25,000.

Gross profit: 25,000. Net profit: 11,050.

Problem No.5

Balance sheet as on 31st march -2018

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Sai capital	300000	Raju & company	20000
Onida & co.	24000	State bank of Hyderabad	60000
		Closing stock (5 CTV's @ 10000 each.)	50000
		Furniture	54000
		Cash in hand	140000
TOTAL	3,24,000.	TOTAL	3,24,000.

APRIL-2018.

1. Purchase 40 colour TV's @ Rs. 10000 each from onida & co.
2. Paid carriage on purchases Rs. 100.
3. Sold 12 colour TV's @12000 each for cash
4. Sold 30 colour TV's @12000 each to raju &co.

5. Received cash from raju &co. Rs. 370000.
6. Paid cash to onida &co Rs. 410000.
7. Paid salaries to staff by cheque Rs. 3000.
8. Paid rent Rs. 2000 by cash.
9. Return one colour TV by raju &co.
10. Return one colour TV to onida &co.

REPORTS:

Closing stock: 30,000.

Gross profit: 81,900. Net profit: 76,900.

Problem No.6

1. Mr. Satish reedy started a business with cash Rs.2,00,000.
2. Purchased 1000 Liter's of Coconut Oil @ Rs.100 per Liter's from Kerala co ltd.
3. Purchased 500 Soaps @ Rs.50 each from Hindustan leaver Ltd.
4. Purchases 1000 Detergent soaps @Rs.20 each from Nirma washing co.ltd.
5. Purchases 1000 Kg's of Rice @ Rs.15 per kg on cash basis from konasema rice ltd.
6. Purchased 500 Kg's Punjab Rice Rs.20 per kg. From Punjab rice ltd.
7. Sold 400 soaps @ Rs. 60 each to 'X' ltd.
8. Sold 1000 kg, s of Rice @20 each to Y ltd.
9. Sold 800 Liter's of coconut oil on cash basis @ Rs.125 each
10. Purchased furniture Rs.5000 for office use
11. Sold 1000 detergent soaps on cash basis @ Rs.25 each.
12. Purchased waiting machine for Rs.2000.
13. Charge depreciation on furniture and waiting machine @ 10% each.
14. Returned 10 Liters of coconut oil to Kerala co.ltd, due to expiry date.
15. Paid rent Rs.2000 by cheque
16. Paid sales promotion expenses Rs.5000.
17. Cheque received from X ltd.Rs.20000.
18. Cash received from Y ltd Rs.15000.
19. Cheque sends to kerala co.ltd for Rs.8000.
20. Cash given to Hindustan ltd.Rs.25000.
21. Cheque sends to Nirma washing co.ltd. Rs.20000.

Problem No.7

1. Mr. Anil started a business with cash Rs. 400000.
2. Purchase computer worth Rs. 20000 for office use.
3. Purchase 10 CD players@ Rs.10000 each for cash from RK elec &co.
4. Purchase 10 Stereo Systems @ 5000 each from Sony &co.
5. Sold 10 CD Players @ 12000 each for cash to sanjay.
6. Sold 10 Stereo Systems @ 6000 each to Mr. Sagar.
7. Sold computer Rs.18000, which was in office use.
8. Paid electricity charges Rs. 800.
9. Paid medical expenses for Anil son's Rs. 500.
10. Deposit cash into s b h Rs. 20000.
11. Withdraw cash from s b h Rs. 3000 for office use.
12. Withdraw cash from s b h Rs. 2000 for private use.
13. Charge interest on capital Rs. 4000.
14. Charge interest on drawings Rs. 250.

REPORTS:

GROSS PROFIT	:	30,000.
NET PROFIT	:	23,450.
BALANCE SHEET	:	4, 74,700.

Problem No.8

1. 1/4/2018 Received Capital By Cash Rs. 20, 00,000.
2. 2/4/2018 Cash Deposited In Icici Bank Rs. 1200000.
3. 5/4/2018 Purchases The Stocks From Raj Motors

Kinetic Honda	-4nos	@Rs. 35000/-
Tvs-Victor	-3nos	@Rs. 46800/-
Yamaha	-5nos	@Rs. 42900/-
4. 10/4/2018 Purchases The Stocks From Naveen Motors.

Pulsar	-5nos	@Rs. 50000/-
Hero Honda Passion	-5nos	@Rs. 48500/-
Hero Honda Ambition	-5nos	@Rs. 46700/-
Tvs-Scooty	-7nos	@Rs. 24000/-

 (-) Discount 5% On Total Purchases.
5. 12/4/2018 Credit Sales To R&S Motors. Company.

Kinetic Honda	-2nos	@Rs. 39900/-
Tvs-Victor	-2nos	@Rs. 52200/-
6. 14/4/2018 Credit Sales To KJ Motors.

Pulsar	-2nos	@Rs. 53000/-
Hero Honda Passion	-2nos	@Rs. 50000/-
Yamaha	-2nos	@Rs. 45000/-
7. 18/4/2018 Credit Sales To JGJ Motors.

Yamaha	-1no	@Rs. 45000/-
Hero Honda Ambition	-3nos	@Rs. 48100/-
8. 20/4/2018 Cash Sales To Sheeba Motors.

Tvs-Scooty	-3nos	@Rs. 25100/-
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 (-) Cash Discount 3%.
9. 22/4/2018 Recd Cash From R&S. Motors Rs. 125000/-
10. 24/4/2018 Recd Cheque From KJ Motors Rs. 225000/-
11. 25/4/2018 Paid Cheque To Raj Motors Rs. 250000/-
12. 27/4/2018 Paid Cheque To Naveen Motos Rs. 100000/-
13. 28/4/2018 Recd Cheque From JGJ Motors Rs. 150000/-
14. 30/4/2018 Payments Made By Cash.

Telephones Charges.		
Workshop	-3500/-	
Front Office	-1500/-	
Salary		
Workshop	-6500/-	
Front Office	-3500/-	
Stationary		
Workshop	-1000/-	
Front Office	-20000/-	
Electricity Charges		
Workshop	-1700/-	
Front Office	-800/-	

Reports

Problem No.9

- 1). Ravi Commenced business with Rs. 30,00,000/-
- 2). Cash deposited at HDFC bank Rs. 10,00,000/-
- 3). Purchase furniture by cheque Rs. 25,000/- ch.no.124578
- 4). Purchase order 40 HCL computers @ Rs.25,000/- , 30 IBM computers @Rs.20,000/- 20 LG computers @Rs. 19,500/- from devi, order no.101
- 5). Receipt notes applicable
- 6). Rejection out 2 HCL computers, 3 IBM Computers, 3 LG computers to Devi.
- 7). Sales order 30 HCL computers @ Rs.26,500/-, 25 IBM Computer @21,000/-, 15 LG Computers @ Rs. 21,000/- to rama, Order no. 202.
- 8). Delivery Notes applicable
- 9). Rejection in 2 HCL Computers, 3 IBM Computers, 3 LG Computers from Rama.

Ans: Gross Profit Rs. 82,000/- , Net profit Rs. 82,000/-, Balance Sheet Rs. 49,03,500/-, Sundry debtors Rs. 14,56,000/-, sundry creditors Rs. 18,21,500, Closing stock Rs. 4,47,500/-, Cash in hand Rs. 20,00,000/-, Bank Rs. 9,75,000/-

Problem No.10

- 1). KLR started business with Rs. 30,00,000/-
- 2). Cash deposited at ICICI Bank Rs.15,00,000/-
- 3). Purchase Machinery by cheque Rs.3,00,000/-
- 4). Purchase furniture by cheque Rs.45,000/-,Ch.no:-423657.
- 5). Purchase 25 LG computers for cash @ RS.26,000/-Discount is 5%
- 6). Purchase 28 sony computers by cheque@ Rs.27,000/-,Ch no :-123896.Dis is 8%
- 7). Purchase 30 max mobilefrom RK @ Rs.29,000/-
- 8). Purchase25 Sky mobiles from RD @ Rs.23,000/-Dis is 10%
- 9). Sales 23G Computers to [cash@Rs.27,000/-Dis](#) in 8%
- 10). Sales 22sony computer by cheque by [cheque@Rs.28,000/-,ch](#) no:-152676. Dis is 8%
- 11). Sales 25 Max Mobiles to KJS @ Rs. 30,500/-, Discount is 12%
- 12). Sales 21 Sky mobiles to KS @ Rs. 24,000/-, Discount is 12%
- 13). Wages paid Rs. 4,500/-
- 14). Salaries paid by cheque Rs. 7,500/- Ch.no. 245612
- 15). Rent paid Rs. 3,500/-
- 16). Carriage inwards by chequeRs. 10,000/-, ch.no.228974
- 17). Interest received Rs. 3,500/-
- 18). Commission Received by cheque Rs.6,500/- ch.no.126356
- 19). Petty expenses Rs. 2,200/-

Ans: Gross Profit Rs. 18,460/-, Net Profit Rs. 15,260/-, Balance Sheet Rs. 43,15,760/-, Closing Stock Rs. 4,16,600/-, Debtors Rs.11,14,520/-, Creditors Rs.13,00,500/-, Cash in hand Rs.14,47,120/-.

Problem No.11

Opening Balances: -

- a) Machinery Rs.75,000/-
- b) Furniture Rs.20,000/-
- c) Ravi (Cr) Rs.75,000/-
- d) Kumar (Dr) rs. 1,25,000/-
- e) HDFC Bank Rs.25,000/-
- f) Loan from ICICI Bank Rs.4,86,000/-

Opening stocks: -

- a) 20 LG TVs @ Rs.6,500/-
- b) 10 Sony TVs @ Rs.7,200/-
- c) 5 Samsung TVs @ Rs.6,300/-

d) 15 BPL TVs @ Rs.5,500/-

- 1) Amma & U capital Rs.50,00,000/-(F6)
- 2) Cash deposited at HDFC Bank Rs.15,00,000/-(F4)
- 3) Purchase machinery by cheque Rs.1,25,000/-(F5)
- 4) Purchase 30 LG TVs for cash @ Rs.6,500(F9)
- 5) Purchase 25 Sony TVs by cheque @ Rs.7,200/-(F9)
- 6) Purchase 30 samsung TVs for cash @ Rs.6,300/-(F9)
- 7) Purchase 25 Bpl TVs from ravi @ Rs.5,500/-(F9)
- 8) Sales 42 LG TVs for cash @ Rs.7,500/-(F8)
- 9) Sales 30 sony TVs for cash @Rs.8,200/-(F8)
- 10) Sales 30 samsung TVs by cheque @ Rs. 7,000 (F8)
- 11) Sales 35 BPL TVs to kumar @ Rs.6,200/-(F8)
- 12) Salaries paid Rs.18,000/-(include wages 42%)(F5)s
- 13) Rent paid Rs.5,000/- factory rent Rs.13,000/-(F5)
- 14) Depreciation on machinery 10% (new machinery)(F7)
- 15) Drawings Rs.25,000/-(F5)
- 16) Carriage inwards Rs.12,000/-(includes outwards 50%)(F5)
- 17) Purchase returns 3 BPL TVs to Ravi (CTRL+F9)
- 18) Sales returns 4 Bpl TVs from kumar (CTRL+F8)
- 19) Insurance paid Rs.3,500/-(F5)
- 20) Cash deposited at HDFC Bank Rs.25,000/-(F4)
- 21) Commission received Rs.6,500/-(F6)
- 22) Sale of scrap Rs.3,500/-(F6)
- 23) Cash paid to ravi Rs.1,16,000/-(F5) discount received from ravi Rs.5,000/-(F7)
- 24) Purchase 10 LG TVs from Nani @ Rs.7,000/-(F9)
- 25) Purchase 10 BPL TVs from Murali @ Rs.6,200/-(F9)
- 26) Sales 8 LG TVs to Radha @ Rs.8,100/-(F8)
- 27) Sales 8 BPL TVs to cash @ Rs.5,300/-(F8)
- 28) Cash withdrawn from HDFC Bank Rs.5,000/-(F4)
- 29) Bank charges paid Rs.250/-& DD charges paid Rs.35/-(F5)
- 30) Damage 2 LG TVs (old Tvs)(F7)
- 31) Cash withdrawn from HDFC Bank Rs.23,000/-(F4)

Ans: Gross Profit Rs. 92,698.16/-, Net Profit Rs. 53,473.16/-, Balance Sheet Rs. 57,21,473.16/-,
Closing Stock Rs.1,65,358.16/-, Cash in hand Rs.35,39,615/-, Bank Account Rs. 14,27,000/- Debtors
Rs.3,82,000/- Creditors Rs. 2,07,000/-

Problem No.12 Double Entry

- 1). Ramadevi started business with cash Rs.10,00,000/-, IDBI Bank Rs.5,00,000/- , Machinery Rs.2,00,000/- Goodwill Rs.3,00,000/- (total capital Rs .20,00,000/-(F6)
- 2). Purchase furniture from Ramakrishna Rs.50,000/-(F7)
- 3). Purchase 50 LG printers for cash @ Rs.6500/-(F9)
- 4). Purchase 40 LG TVs from vasu @ Rs.7000/-(F9)
- 5). Purchase 35 HP printers from Srikanth @ Rs.6500/-(F9)
- 6). Purchase 20 Sony TVs by cheque@ Rs.6000/-(F9)
- 7). Purchase 25 Lenovo printers for cash @ Rs.5500/-(F9)
- 8). Purchase 20 samsung TVs by cheque @ Rs.6000/-(F9)
- 9). Sales 45 LG printers to kumari @ Rs.7500/-(F8)
- 10). Sales 35 LG TVs to cash @ Rs.7800/-(F8)
- 11). Sales 32 HP printers to Suguna @ Rs.7200/-(F8)
- 12). Sales 18 sony TVs by cheque @ 6900/-(F8)
- 13). Sales 22 Lenovo printers to cash @6200/-(F8)
- 14). Sales 18 samsung TVs by cheque @ Rs.7000/-(F8)

- 15). Salaries paid by cheque Rs.15000/-(F5)
- 16). Wages paid Rs.5000/-(F5)
- 17). Carriage inwards Rs.10,000/-(F5)
- 18). Commission allowed Rs.2500/-(F5)
- 19). Rent paid Rs.2500/-(F5)
- 20). Cash withdrawn from IDBI Bank Rs.20,000(F4)
- 21). Sale of scrap Rs 5000/-(F6)
- 22). Insurance paid Rs.2500/-(F5)
- 23). Purchase returns 2 LG TVs to vasu (CTRL+F9)
- 24). Sales returns 2 HP printers from Suguna (CTRL+F8)
- 25). Sales machinery to cash Rs.1,80,000/-(F6) Loss of machinery Rs.20,000/-(F7)
- 26). Cash received from kumari Rs.3,22,500/-(F6) discount allowed Rs.5000/-(F7)
- 27). Depreciation on furniture 10% (F7)
- 28). Cash deposited at IDBI Bank Rs.25,000/-(F4)
- 29). Drawings Rs.50,000/-(F5)
- 30). Salaries advance paid Rs.10,000/-(F5)

Problem NO. 13 BRS (1-5-2024 to 31-5-2024)

- 1). Kumar Started business with Rs. 30,00,000/-
- 2). Cash Deposited at YES Bank Rs. 15,00,000/-
- 3). Purchase Machinery by cheque Rs. 2,50,000/- Ch.no. 235645
- 4). Purchase Furniture for cash Rs.55,000/-
- 5). Purchase 2500 liters of A oils for cash @ Rs. 65/-
- 6). Purchase 3500 liters of B oils by cheque @ Rs. 75/-, Ch.no. 235689
- 7). Purchase 4500 liters of C oils from Krishan Rs. 85/-
- 8). Purchase 5500 liters of D oils by Cheques @ Rs. 95/- ch.no.235690
- 9). Sales 2250 liters of A oils or Cash @ Rs. 77/-
- 10). Sales 3100 liters of B oils by cheque @ Rs. 87/-Ch.no.182564
- 11). Sales 4100 liters of C oils to Radha @ Rs. 100/-
- 12). Sales 5000 liters of D oils by cheque @Rs. 110/- Ch.no.182565
- 13). Rent Paid by cheque Rs. 6,500/- Ch.no.235695
- 14). Salaries paid by cheque Rs. 3,500/- Ch.no. 235695
- 15). Carriage inwards by cheque Rs. 5,500/- Ch.no.235699
- 16). Carriage outwards Rs. 2,500/-
- 17). Commission Received by cheque Rs. 3,600/- Ch.no.182566
- 18). Rent Received by cheques Rs. 3,500/- Ch.no.182589
- 19). Cash paid to krishna Rs. 3,72,500/- Discount Received from Krishna Rs. 10,000/-
- 20). Cash received from Radha Rs.39,500/- Discount allowed to Radha Rs. 15,000/-

YES Bank Statement from 01-05-2024 to 31-05-2024

Date	Ch.no's	Particulars	Debit Rs.	Credit Rs.
01-5-2024		Deposit		15,00,000
01-5-2024	235645	Machinery	2,50,000	
02-5-2024	235689	Purchases	2,62,500	
02-5-2024	235690	Purchases	5,22,500	
02-5-2024	182562	Sales		5,50,000
31-3-2024	235695	Rent	6,500	
31-5-2024	235698	Salaries	3,500	
31-5-2024	182589	Rent Received		3,500
		Total		10,08,500

Ans: Gross Profit Rs. 1,95,200/-, Net Profit Rs. 1,84,800/- Balance Sheet Rs. 31,84,800/-, Closing stock Rs. 1,27,750, Cash in hand Rs. 11,20,250/-, Bank Rs. 12,76,300/- Debtors Rs. 3,55,500/-.

Problem No. 14

- 1). Ravi Started business with Rs. 30,00,000/-
- 2). Cash deposited at SBI bank Rs.
- 3). Purchase Machinery by cheque Rs. 3,00,000/- Ch.no.457896
- 4). Purchase Furniture by cheque Rs. 45,000/- ch.no.423657
- 5). Purchase 25 LG Computers for cash @ Rs.26,000/-, Godown -A, Stock Category – CoreI3
- 6). Purchase 28 Sony Computers for cash @ Rs. 27,000/-, Godown -B, Category -Core 2 dual
- 7). Purchase 30 Samsung Computers for cash @ Rs.29,000/-, Godown -C , Stock Category – CoreI3
- 8). Purchase 25 HP Computers for Cash @ Rs. 23,000/- Godown -D , Stock Category – Core 2 dual
- 9). Transfer Computers from Godowns to Main location as per below information
 - 24 LG Computers from Godown -A
 - 24 Sony Computers from Godown-B
 - 25 Samsung Computer from Godown -C
 - 23 HP Computers from Godown -D
- 10). Sales 23 LG Computers to cash @ Rs. 27,000/-
- 11). Sales 22 Sony Computers to cash @ Rs.28,000/-
- 12). Sales 25 Samsung Computers to cash @ Rs. 30,500/-
- 13). Sales 21 HP Computers to cash @ Rs. 24,000/-
- 14). Wages paid Rs. 4,500/-
- 15). Rent paid Rs. 3,500/-
- 16). Carriage inwards by cheque Rs. 10,000/- ch.no.228974
- 17). Interest received Rs. 3,500/-
- 18). Commission Received by cheque Rs. 6,500/- ch.no.126356
- 19). Petty expenses Rs. 2,200/-

Ans: Gross Profit Rs. 89,000/-, Net profit Rs. 93,300/- Balance sheet Rs. 30,93,300/-
Closing stock Rs. 4,51,000/-, Cash Rs. 11,45,800/-, Bank Rs. 11,51,500/-

Problem No. 15

- 1). KNR traders started business with the following assets and liabilities
Cash in hand Rs. 3,00,000/- , Cash at Bank Rs. 55,000/-, Machinery Rs. 96,000/-, Due to Veera Rs. 15,000/-, Due from Vivek Rs. 49,000/-
- 2). Cash deposited at UTI bank Rs. 2,00,000/-
- 3). Purchase Furniture from Priya industries Rs. 50,000/-
- 4). Purchase Machinery by cheque Rs.90,000/- ch.no.125492
- 5). Purchase 150 Mobile charges for cash @ Rs. 200/-
- 6). Purchase 135 Mobiles panel's by cheque @ Rs. 240/-, ch.no. 125493
- 7). Purchase 120 Mobiles batteries for cash @ Rs. 400/-
- 8). Purchase 50 Celkon Mobiles from rushitha @ Rs. 3,000/-
- 9). Sales 130 Mobiles charges to cash @Rs. 280/-
- 10). Sales 124 Mobiles Panel's by cheque @ Rs. 300/- ch.no. 493649
- 11). Sales 105 Mobiles Batteries to cash @ Rs.500/-
- 12). Sales 43 Celkon Mobiles to Shwetha @ Rs. 3,600/-
- 13). Rent paid Rs. 5,500/-
- 14). Paid cash to Rushitha 1,43,000/- and Discount received Rs.7,000/-
- 15). Salaries paid by cheque Rs. 9,000/- ch.no.125494
- 16). Received cash from Shwetha Rs.1,50,000/- as full settlement, Discount allowed Rs. 4,800/-
- 17). Bought furniture for proprator's residence and paid cash Rs. 3,000/-
- 18). Cash paid to Priya industries Rs. 50,000/-
- 19). Carriage inwards Rs. 5,500/-
- 20). Commission received by cheque Rs.6,800/- ch.no.493650

Ans: Gross profit Rs. 48,640/-, Net profit Rs. 43,140/-, Balance sheet Rs. 5,40,140/-, Closing stock Rs. 33,640/-, Cash Rs. 53,900/-, Bank Rs. 1,67,600/-, Debtors Rs. 49,000/-, Creditors Rs.15,000/-