Tally ERP.9

Tally

POWER OF SIMPLICITY

Tally.ERP 9

Introduction of Accounting

When an businessmen start the business, he needs to maintain the books of accounts to have the records.

Book-keeping:

The maintainance of books of accounts in a systematic manner is called as Book-keeping.

Accounting:

Is the art of Recording, Classifying, Summarising, & Presenting the financial transactions of business.

Introduction of Accounting

Need of Accounting:

- To create records.
- To create evidence.
- For decision making.
- To have the control over the business.
- Prevention of frauds & losses.
- To know the Profit & Loss.

Methods of Accounting:

Business transactions are recorded in two different ways:

- Single Entry System.
- Double Entry System.

Introduction of Accounting

Single Entry System:

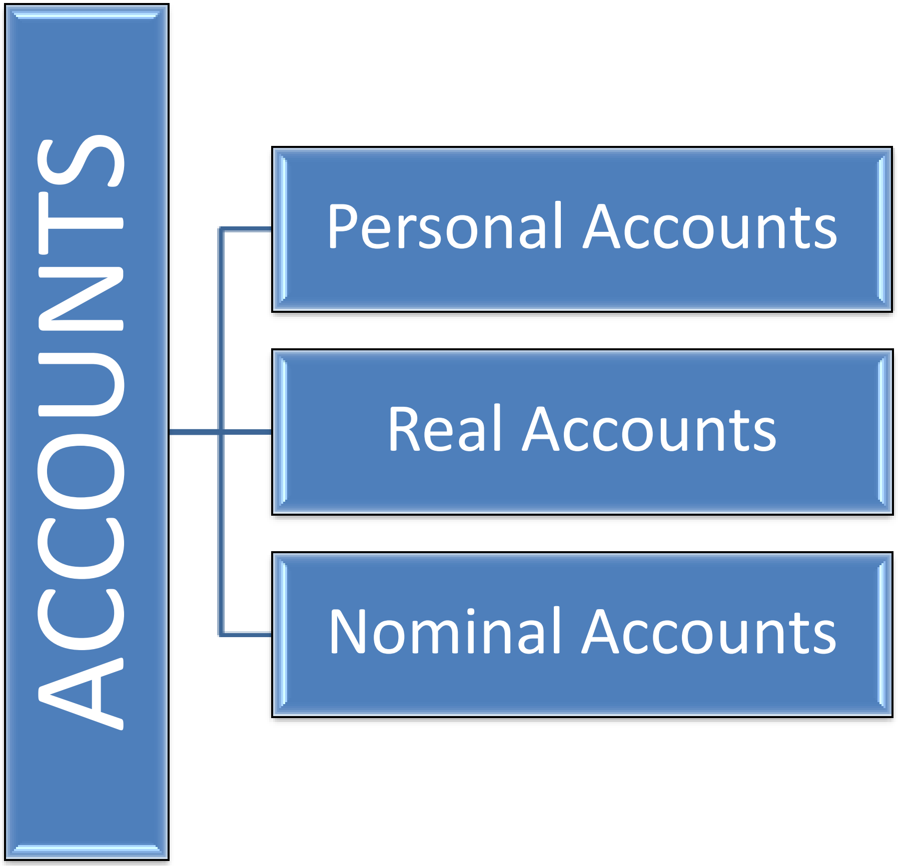
- **Under this system we record only one aspect of a transaction.**
- **Under this system we maintain only one book.**
- **It may be used by Sole trading concern.**

Double Entry System:

- **The method of recording of two-fold aspects of a transaction.**
- **Two-fold aspects are Debit & Credit.**
- **For each Debit there is a corresponding Credit & vice versa.**

Introduction of Accounting

Classification of Accounts:



Introduction of Accounting

Personal Accounts:

These are the accounts relating to Persons, Firms, Companies, Institutes etc.

Ex: Rama's Account, SBI Bank, ABC Co. ltd etc.

Real Accounts:

These are the accounts relating to Properties & Assets.

<u>Tangible Assets</u>: Building, Furniture, Cash, Stock etc.

<u>Intangible Assets</u>: Goodwill, Patent, Trade Mark, Copyright etc.

Nominal Accounts:

These are the accounts relating to Expenses & Losses, Incomes & Gains.

Ex: Salary, Rent, Wages etc.

Introduction of Accounting

Rules of Accounts:

Personal Accounts

Debit the Receiver	Credit the Giver

Real Accounts

Debit what Comes in	Credit what Goes out

Nominal Accounts

Debit Expenses & Losses	Credit Incomes & Gains

Introduction of Accounting

How to apply the Rules:

- Find out which are the two accounts effected in the transactions.
- Find out to which type of account those two accounts belong.
- Apply the respective Rules to the above two accounts.
- Write the particular account to be Debited & Credited.

Introduction of Accounting

1. Paid Salary Rs.10,000/-

Account	Type of Account	Rules	Debit/Credit
Salary	Nominal A/c	Expenses	Debit
Cash	Real A/c	Goes out	Credit
Salary A/c. . . . .Dr To Cash A/c			

2.Recevied Commission Rs.10,000/-

Account	Type of Account	Rules	Debit/Credit
Cash	Real A/c	Comes in	Debit
Commission	Nominal A/c	Income	Credit
Cash A/c. . . . . .Dr To Commission A/c			

Introduction of Accounting

Basic terms of Accounting:

1. Business:

It is an activity to earn the Profit.

2. Owner / Proprietor:

The person who makes the investment & bears all the risk connected with the business is known as Owner / proprietor.

3. Capital:

It refers to the money or money's worth invested by the owner in the business.

Introduction of Accounting

4. Transaction:

Is an activity which involves exchange of money or money's worth between two parties.

<u>Types of Transactions</u>:

a) **<u>Cash Transactions</u>: These are the transactions which involve the immediate payment of cash.**

b) **<u>Credit Transactions</u>: These are the transactions in which payment of money or cash is postponed.**

5. Assets:

Assets are the properties or resources which are owned by the business entity.

Ex: Building, Land, Machinery, Furniture etc.

Introduction of Accounting

6. Liabilities:

Liabilities are the debts owed by the business entity to outsiders .

Ex: Amount due to suppliers(Creditors), Bills Payable, Bank Loan etc.

7. Drawings:

It is the amount of cash or the value of goods withdrawn(taken) by the owner for his personal use.

8. Goods:

The term goods include all commodities, articles or products in which the business deals.

Ex: For Book seller- Books are the Goods etc.

Introduction of Accounting

9. Sundry Debtors:

A person who owes money to the firm/business is called as Sundry Debtor. Debtors comes on account of Credit Sales.

Ex: When goods are sold to a person on credit, that person pays the price in future, he is called a debtor because he owes the amount to the firm.

10. Sundry Creditors:

A person to whom money is owing by the firm is called as Sundry Creditor. Creditors comes on account of Credit Purchases.

Ex: If firm purchases goods from Mr. X on credit, then Mr. X becomes creditor to the firm.

Introduction of Accounting

11. Purchases:

The term purchase means goods are bought for resale.

Types of Purchases:

a) Cash Purchases: If cash is paid immediately for the purchase of goods is called as Cash Purchases.

b) Credit Purchases : If the payment for the purchase of goods is postponed I called as Credit Purchases.

12. Sales:

When the goods purchased are sold out is known as Sales.

Types of Sales:

a) Cash Sales : If the sale is for immediate cash payment, it is Cash Sales

b) Credit Sales : If payment for sales is postponed, it is Credit Sales.

Introduction of Accounting

13. Purchase Returns (Return Outwards):

It means the goods which were purchased are now returned to the supplier due to poor quality, bad packaging.

14. Sales Returns (Return Inwards):

It means the goods which were sold to customers are now returned for the same reasons stated above.

15. Stock(Inventory):

Unsold goods are called as Stock

Introduction of Accounting

16. Account:

Account is a record of the various dealings which occur between a customer & the firm. The short form of Account is "A/c".

17. Discount:

Deduction in the prices of goods is called as Discount.It is usually expressed in terms of Percentage(%).

Types of Discount:

a) **Trade Discount : It is allowed/earned at the time of sales/purchases on the basis of quantity.**

b) **Cash Discount : Cash Discount is allowed to the Debtors for quick payment of debt.**

18. Invoice / Bill:

It is a commercial document issued by a seller to a buyer.

Introduction of Accounting

Accounting Year:

It is generally a period of 12 months during which the accounts are maintained.

An Accounting Year may be a,

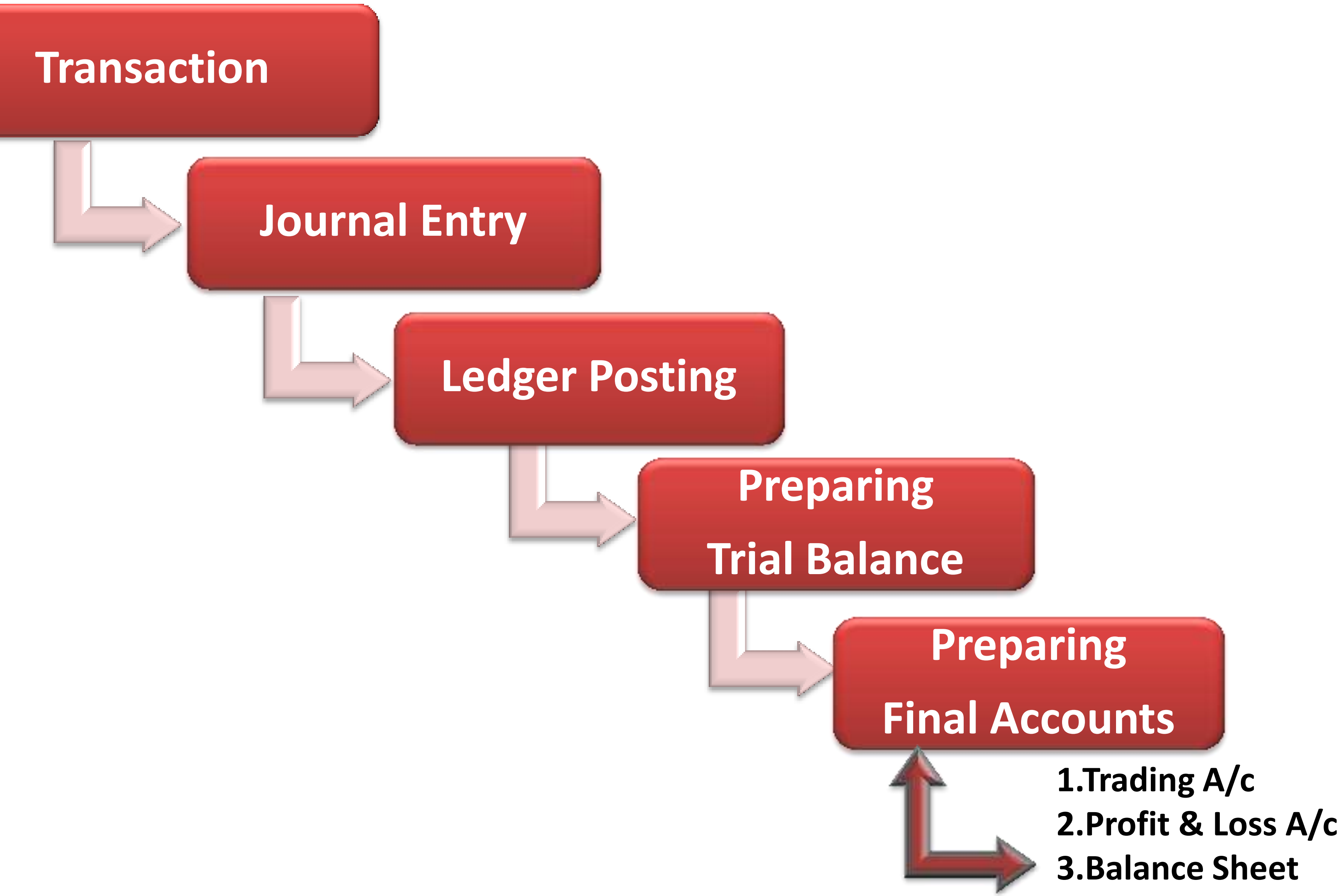
a)Calendar Year: 1st January to 31st December.

b)Financial Year: 1st April to 31st March.

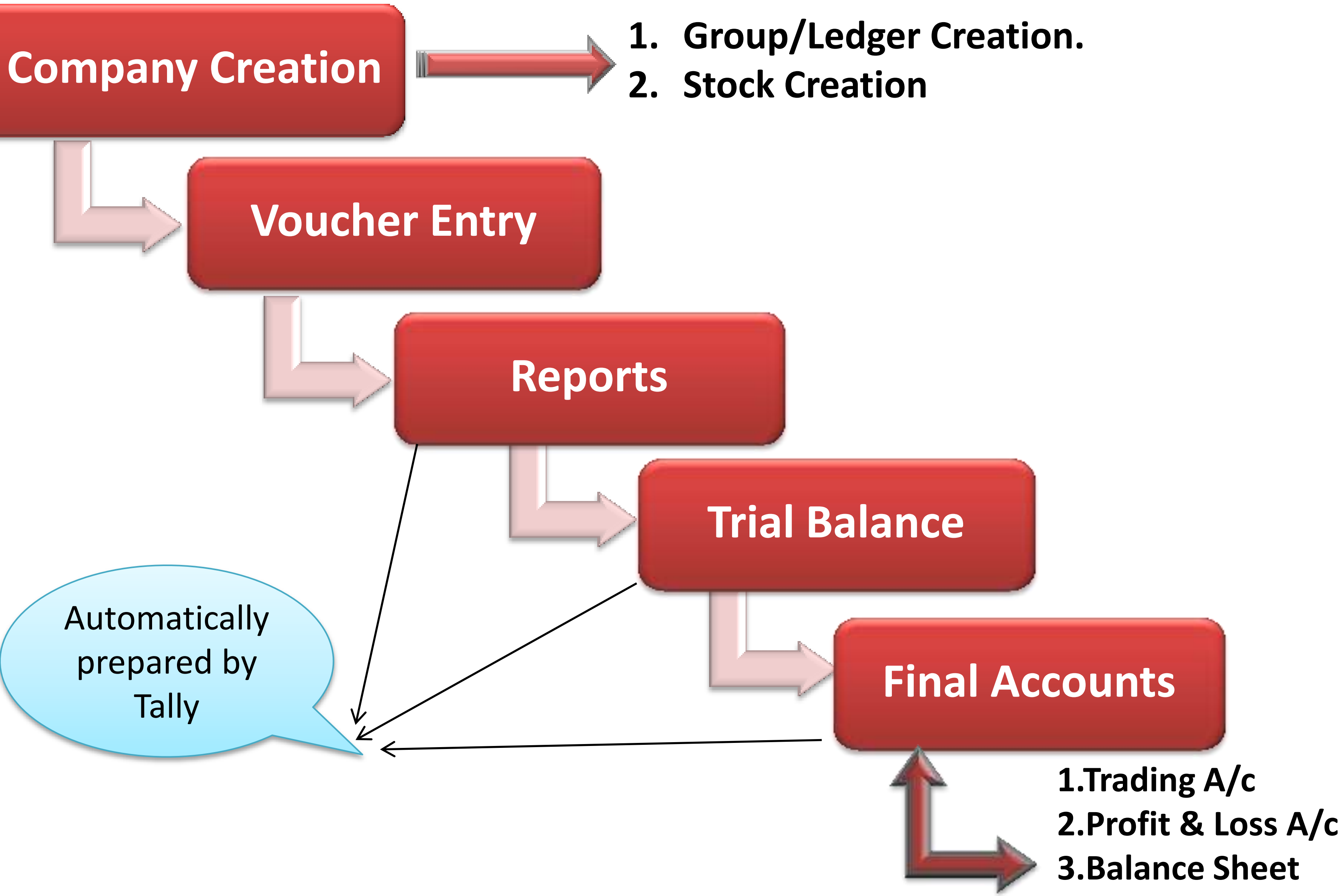
Methods of Accounting Process:

- Manual Process.
- Computerised Process.

Accounting Cycle
(Manual Process)



Accounting Cycle
(Computersied Process)



Introduction of Accounting

Journal:

It is a book of original entry or prime entry. It is a simple book of accounts in which all the business transactions are originally recorded date-wise & from this they are posted to the ledger account.

Specimen:

Ledger:

Ledger is a main book of account in which various accounts of personal, real, & nominal nature are opened & maintained.

Specimen:

Trial Balance:

Trial balance is a statement prepared with the balance or total of debit & credits of all ledger to check whether the figures are correct & balanced.

Specimen:

Introduction of Accounting

Trading Account:

Trading account is prepared to find out the Gross Profit or Gross Loss made by the concern from buying & selling during the accounting year.

Note: All Expenses relating to the Trading A/c are Direct Expenses.

All Incomes relating to the Trading A/c are Direct Incomes.

Format:

Profit & Loss Account:

This A/c is prepared to find out the Net Profit or Net Loss made by the concern during the accounting year.

Note: All Expenses relating to the Profit & Loss A/c are Indirect Expenses.

All Incomes relating to the Profit & Loss A/c are Indirect Incomes.

Format:

Introduction of Accounting

Balance Sheet:

It is a statement of Assets & Liabilities prepared with a view to ascertain the financial position of the business.

Format:

Meanings Relating to Tally

Group:

Group is a collection of Ledgers of the same nature.

Introduction of Accounting

Ledger:

Ledger is a actual account head to which you identify a transaction & must be used in all vouchers without ledger we cannot record any transaction in Tally.

Voucher:

A Voucher is a primary document that contains the details of transactions.

Types of Voucher:

1. **Accounting Voucher.**
2. **Inventory Voucher.**
3. **Payroll Voucher.**

Tally ERP.9

Power of Simplicity

ERP – Enterprise Resource Planning

Introduction of Tally

Tally is the world's fastest & more powerful Multi-lingual business accounting & inventory management application software.

Simple meaning of Tally:

It is an accounting package which is used to maintain day-to-day transactions & used to know the financial position of the business.

Tally is an accounting software which automates & integrates all your business operations like Manufacturing, Purchases, Sales, Finance, Inventory.

Tally was introduced in the year 1986 by the Bharat Goenka, Later it was developed by Tally Solutions which is located in Bangalore.

Introduction of Tally

Features of Tally:

- Multi-lingual.
- Flexible.
- Remote access.
- Tally.Net (Online Transaction)
- Easy to Buy, Quick to Install & Easy to Learn & to Use.

Introduction of Tally

Tally Versions:

- Tally 4.5
- Tally 5.4
- Tally 6.3
- Tally 7.2
- Tally 8.1
- Tally 9
- Tally ERP.9

Introduction of Tally

Application areas of Tally:

- Individual.
- Traders,
- Shop keeper.
- Company.
- Partnership Firms.
- Agents.
- Chartered Accountants.
- Advocate.
- Charitable trust.
- .Service industry.

Introduction of Tally

Advantages of Tally :

- **Data Import & Export facility.**
- **Audit facility.**
- **Scenario management.**
- **Budgeting.**
- **Price List.**
- **Ratio Analysis.**
- **Credit Control.**
- **Tracking through Receipt/Delivery Note.**

Surround Yourself
With Positive People